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EVIDENCE

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TAKEN BY THE



PUBLIC ACCOUNTS COMMITTEE

RESPECTING

STEAMER 'MONTCALM'

No. 1—DECEMBER 7, 1910



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1910 - 11







COMMITTEE ROOM 32,

HOUSE OF COMMONS,

WEDNESDAY, December 7, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., Mr. Warburton, chairman, presiding.

The committee proceeded to the consideration of a payment of \$11,976.38 for board in connection with the Steamer *Montcalm*, as set out at page O—18, Report of the Auditor General for the fiscal year ending March 31, 1910.

Mr. GEORGE J. DESBARATS, called, sworn and examined.

By Mr. Northrup:

Q. What is your present position in the service, Mr. Desbarats?—A. Deputy Minister of the Naval Service.

Q. Before you were raised to that position what position did you fill?—A. Deputy Minister of Marine.

Q. You had under your charge, as such, I believe, a boat called the *Montcalm*?—A. Yes.

Q. What was the service to which the *Montcalm* was put in the year ending March 31 last?—A. Are you going to examine me with reference to the *Montcalm*, because I have not refreshed my memory as to that.

Q. You do not know what she was doing, that is all I want?—A. I can tell you generally that she was engaged on the construction and maintenance of lights.

Q. I just want to know what work she was doing, that is all.—A. She was under the Quebec agency for the maintenance and construction of lights and general purposes.

Q. How long in the year would she be engaged at the work?—A. Twelve months.

Q. She would be kept busy for 12 months on the St. Lawrence?—A. Yes, sir.

Q. I see by the public accounts at page O—18 that she had quite a crew on board?—A. Yes.

Q. Can you tell me how much she cost the country last year, that is the year ending March 31 last?—A. Take a look at page O—19, if I am correct it was \$97,273.—A. Yes, \$97,273.05.

Q. I have here (producing document) a list of the crew who sailed on the good ship *Montcalm*, made out by your department, and among the crew I find one L. G. Lefebvre, chief steward—A. What is the name?

Q. Lefebvre, chief steward?—A. I have no recollection of it.

Q. Here is a departmental paper, so that there is no doubt Mr. Lefebvre was the steward of the boat.—A. (After examining document) Yes.

Q. From looking at that departmental sheet can you tell me what his pay was?—A. \$35.

Q. \$35 or \$55?—A. \$55.

Q. Is it there \$55 a month? Now, as Deputy Minister of Marine can you give me any idea what the official duties of this steward would be at \$55 a month?—A. He would have to look after the board of the men, he would have charge of the cooking of the victuals, he would have full control of that, he would also have control of the work of keeping the rooms tidy, keeping them in order, looking after the furnishings of the rooms and after the kitchens, and the serving of meals, &c.; he would have the superintendence of that.

Q. He would be responsible for the food of the men and the preparation of the meals?—A. Yes.

Q. How do you feed your men on the *Montcalm*? What is the principle on which they are fed, I mean?—A. The steward feeds them under contract with the department, he is paid so much a head for feeding the men.

Q. In addition to being paid for looking after the meals of the men he also is paid by the department so much per head for furnishing the meals?—A. Yes.

Q. How much a head is he paid?—A. I would not like to say, speaking from memory, Mr. Northrup.

Hon. Mr. BRODEUR.—It is 50 cents and 60 cents.

A. Yes, I think that is it but I would not like to say without referring to the records—60 cents for the officers and 50 cents for the men.

Q. A day?—A. Yes.

Q. Is that the usual procedure in the Canadian navy or Canadian marine, which ever it is, or was this an exceptional case in the *Montcalm*?—A. No, that is the usual way.

Q. That you pay your stewards so much wages, and you make a contract with them to feed the men at so much?—A. Yes.

Q. And are the wages fixed on a basis that would make good any loss sustained in feeding the men at the prices named?—A. No. It is in order that the steward may not be exactly on the footing of a contractor but on the footing of an officer of the government. We think the department can exercise better authority over him in that way, besides which his duties are not confined to the part which he fulfills under contract. He also has the supervision of all the furnishings and the looking after of the rooms and the keeping of the boat tidy.

Q. Can you tell me about how many men there were last year on the *Montcalm*?—A. I can tell from the records (after referring to records). About sixty-six.

Q. Were they all there all the time, or would some of them be only temporary?—A. Some of them would be employed by the month and they would be replaced by others.

Q. So that there would not be sixty-six men employed for the whole thirty days of the month?—A. I am assuming that the regular crew are about that number.

Q. Then will you be good enough to look at the sheets produced (handing accounts to witness) and finding out how much a month this gentleman got for boarding that crew?—A. For the month of April, 1909, the account for board is \$991.50.

Q. Now, the next month, please?—A. For the month of May, \$998.60.

Q. Now the month of June?—A. For June, \$952.80.

Q. So that, looking through these accounts would I not be correct in saying that the payments to him for boarding the men came to nearly \$1,000 each month?—A. It seems to be about the figure.

Q. Now, will you please look at page O—18 of the Auditor General's Report, under the heading of 'Wages of the Crew, 12 months from March 31, 1910.' The first name I see is that of this gentleman: 'L. G. Lefebvre, steward, at \$55 per m., \$660.' Is that correct?—A. Is that at page 18?

Q. Yes. At page O—18, near the top. The salaries of officers are first given and then follow the wages of the crew.—A. Yes.

Q. The second item under the latter heading is 'Second Steward at \$30 per m., \$360.—A. Yes.

Q. What would be the duties of that second steward, to wait on the first?—A. No, the second steward would probably be the waiter who would wait on the saloon.

Q. The second steward would probably have to wait on the saloon?—A. And make the beds.

By Mr. Reid, Grenville:

Q. Is there a bar on board?—A. No.



*By Mr. Northrup:*

Q. Then the next item is: '2 m. r. stewards at \$25 per m., \$600.' That would probably mean two stewards more?—A. There would be several stewards on a boat of that size.

Q. That would be three stewards anyway, and three assistant stewards?—A. Yes.

Q. All paid by the country?—A. These are the men that would have the waiting on the tables and the making of the beds.

Q. And the cooking?—A. No, they are not cooks.

Q. The cook is paid \$55 per month?—A. Yes.

Q. Giving him a payment of \$427.58. The next item is: 'L. Thibault, cook, at \$55 per m.'?—A. No, I think those are paid for part of the year. Those two replace one another.

Q. To be perfectly fair, Mr. Charest, is down as cook at \$55 per month, yielding him \$427.58, and L. Thibault is also down as cook at \$55 per month, giving him \$232.42. Then there are second cooks at \$25 or \$30 per month, getting altogether \$660?—A. Yes.

Q. That would mean two more cooks, would it?—A. That would mean two cooks.

Q. That would mean two cooks more there? Then we come to the next item: 'Mess cooks at \$30 per m., \$699.68'?—A. Yes.

Q. That would be more than two mess cooks all the time, and I think he cooked the accounts. Would that be correct?—A. I do not quite catch your question.

Q. There are mess cooks down at \$30 a month and the total amount is \$699.68?—A. It is possible.

Q. That would be one cook overlapping the other. But would you have two cooks?—A. Through a certain part of the year.

Q. I mean working the whole year?—A. Yes.

Q. Then we have a storekeeper at \$34 a month. Did he have anything to do with these stores that all these cooks were engaged on?—A. No.

Q. That would be no part of his duty?—A. He would be connected with what is known as the business of ships stores.

Q. You would have to pay a man to look after those?—A. He would have to look after them.

Q. Lower down in the account I find another item: 'Waiter at \$25 per m., \$300'?—A. Yes.

Q. And then I suppose when there was distinguished company on board there would have to be extra waiters?—A. On special occasions they might have them.

Q. This boat, you told us, was engaged in doing certain work on the St. Lawrence?—A. Yes.

Q. Was she also chartered from time to time for special purposes?—A. No. She was never chartered. The government never charter any of their boats. You mean chartered out?

Q. Whenever any government officials have to travel on government business on this boat this steward has to be paid for feeding them?—A. Yes.

Q. I find important officials like Mr. MacLean travelling by this vessel. Whenever government officials travelled on this vessel the steward had to be paid for their board although it was a government boat?—A. Yes, he had to supply the board for them.

Q. So that the country paid for the board of government officials on this government boat?—A. Certainly, they pay for the expenses of their officers travelling.

Q. And then if any guests went out to inspect the ice bridge at Cape Rouge and any luncheons were served the country would pay for them?—A. If authority was given by the proper official.

Q. Who would authorize such an item as the serving of luncheons on March 30, 1909, to guests inspecting the ice bridge, at 20 cents each?—A. That would probably be authorized by the agent at Quebec.

Q. The agent at Quebec would authorize the giving of free luncheons to 134 people at 20 cents, and the country paid the bill? Then I see another item dated April 3, 1909: 'lunches supplied law students from Laval and their professors on board the C. G. S. *Montcalm*, on a regular ice-breaking trip at Cap Rouge, 127 persons in all.' That is to say, there were 127 luncheons supplied at 20 cents, making \$25.40. That was another party?—A. Yes, they were authorized to do so. They asked if they could inspect the bridge and they were authorized to do so, and as they were necessarily the whole day on the boat the government supplied a light lunch to them.

Q. That was on April 3?—A. Yes, April 3, 1909.

Q. So apparently this genial steward not only got his pay but was allowed to board strangers on the vessel; he was allowed to make some money out of boarding them?—A. He had a contract for whatever board he gave on the vessel.

Q. Then I see another item for the year 1909: 'The board of Louis Jeffry, extra waiter, engaged for Hon. R. Lemieux, on board C. G. S. *Montcalm* from August 7 to 15, inclusive, 9 days at 75 cents per day, \$6.75.' What would be the explanation of that by the department?—A. This man was employed on the vessel.

Q. So you see it would appear that the officers are boarded for 60 cents and the ordinary men for 40 cents, but in this case there is a charge of 75 cents. Is there any particular explanation as to the capacity of the different men?—A. I have no recollection of this particular item, but I notice that the account has been reduced.

Q. I was going to call your attention to that, that some body who made out the account for more than the department was prepared to pay. If the man put in a bogus account was he punished or what was done?—A. I have no personal knowledge of this. This was no doubt checked out in the Quebec office or the Ottawa office and the account rectified.

Q. Somebody sent in an account, a bogus account, in which goods were charged apparently more days than the department was prepared to pay for. Is there any one who could find out who sends in that account or who was the man to be paid that account?—A. The Steward.

Q. He is the man who sends it in, then?—A. I presume so.

Q. Then on its face it shows that more days were charged for than the department would pay for?—A. A correction was made. It may have been made before he put it in. There is nothing to show where the correction was made.

Q. There is a difference in the ink, is there not. The account is made out in one ink and the correction is made in a different ink?—A. The original account is typed and the correction is made in ink, by hand.

Q. Is that the way corrections are invariably made in the department, in red ink?—A. That I cannot say.

Q. Is it not the practice to make corrections in red ink?—A. A great many corrections are made in red ink.

Q. Is it the usual thing to make corrections in that way?—A. It is generally made in red ink because it is plainer.

Q. I see that this gentleman has charged for Mr. Lemieux. Can you give us any information as to why the country had to repay this importunate steward for Mr. Lemieux's board at that time?

Mr. CARVELL.—Oh, change that question.

By Mr. Northrup:

Q. Have you any one in your department who knows about this trip of Mr. Lemieux?—A. I do not know; I will attempt to look it up.

Q. We would like you to look it up, for supposing Mr. Lemieux did not go there then this account would be bogus?—A. That was certified by the officers who had knowledge of the facts and who knew that Mr. Lemieux was on board.

Q. There is something wrong, either Mr. Lemieux's board has not been settled



for or the account—which would it be? Was there a minister down there at the time or not?—A. I cannot answer, Mr. Northrup.

Q. Is there any way that we could find out?—A. There is no trouble about that.

*By Mr. Carvell:*

Q. What is the amount?—A. \$6.75.

*By Mr. Northrup:*

Q. Did you say that is the practice of the Marine Department to have the food supplied by the steward in that way?—A. Yes.

Q. Since when was it introduced?—A. A few years ago.

Q. When did it begin?—A. On the St. Lawrence ship channel. It has been in force for a long number of years and a few years ago it was extended to other vessels of the Marine.

Q. On the ship channel the conditions would be entirely different, would they not? The men working there would be different from the men working on the government vessel—working there all the time. Are there not men coming and going?—A. No, they are fixed guests.

Q. Well, at all events some years ago it was introduced on the large vessels?—A. Yes.

Q. Is that the same practice that is being introduced in the ships of the navy?—A. No.

Q. The old-fashioned practice prevails there, the country pays for it?—A. The country pays for the expenses.

Q. Can you tell me how many boats there would be on which there is a steward contractor?—A. I cannot tell you off-hand. There is quite a number of them.

Q. Practically all the boats except those in the Canadian navy?—A. Almost all the vessels of the Marine Department, yes; I think all the vessels last summer of the Marine Department were on that system.

Q. In order that there may be no misunderstanding, this steward is paid 60 cents a day for officers and 50 cents for the men?—A. Yes.

Q. What about the cook?—A. He furnishes the materials for the meals.

Q. He furnishes the food?—A. Yes.

Q. In that statement you have before you it shows that this man is paid for his own board 50 cents a day?—A. Yes.

Q. So that, looking at this item of which we are speaking, Mr. Desbarats, \$11,976.38, that was paid simply and solely for the food that was eaten by the crew. He provided nothing more?—A. Which item are you talking of.

Q. The item of \$11,976.38 for board, page O—15 of the Auditor General's Report?—A. Yes, that was paid for the board.

Q. Simply and solely for the board? Everything else supplied by the country?—A. Oh, yes, merely for the food.

*By Mr. Brodeur:*

Q. I think it was a couple of years ago that it was decided by the department to make a change, to make a contract with the stewards for the food of the men?—A. A little more than that; I should say, perhaps, three years.

Q. It is since I have been in the department?—A. Yes.

Q. Did you find that this system is very much preferable to the old one?—A. Yes, it is a great improvement.

Q. It gives much satisfaction to the department?—A. It gives much satisfaction.

Q. And is less expensive?—A. Yes, before adopting this system a statement was brought up and given to the government of the board in the various ships and these figures were the result of that investigation. We learned then what it was costing the country at that time.

Q. The steward, outside of the contract he has got for the feeding of the men, has also to look after the beds, bedding and the upkeep of the ship?—A. He is

responsible for the arrangements with reference to the lodging of the men and their board.

Q. And it has been found decidedly that these men in order to be under the control of the department should have a salary for doing that work?—A. Yes. At the beginning we had great difficulty in getting stewards to undertake this work at these figures.

Q. They refused in many cases?—A. They refused at first and we found it rather hard to get the contracts in working order.

Q. In fact, I think it took a year or a year and a half before we closed with all the stewards?—A. Yes, it had to be done gradually. We could not put the system in all at once.

*By Mr. Reid:*

Q. Did you ever make inquiries from other steamboat companies as to what it cost them for food for the crews of their vessels?—A. We found it very difficult to get information of that kind.

Q. Did you ever make any inquiries from any steamboat company?—A. I would not like to say at this date, but I fancy we did. The gentleman who was looking into this obtained information of that kind.

Q. Are you sure?—A. I cannot say from my recollection at this date.

Q. Do you mean to say, Deputy Minister, that you cannot now remember whether you ever made inquiries from any steamboat owner or steamboat company as to what it cost for feeding their crews?—A. I have no doubt I caused such inquiries to be made but I cannot recollect now the details.

Q. Would it be by letter or verbally?—A. I cannot recollect now.

Q. Is there any way of finding out?—A. You can possibly examine the gentleman who made the purchases.

Q. Who was the gentleman?—A. Mr. Doutre, the purchasing agent of the Marine Department. He had charge of the details of it.

*By Mr. Lennox:*

Q. You mentioned that on inquiring into this matter it was ascertained how much it was costing you paying on the whole system?—A. Yes.

Q. And then the rate was struck at 50 cents and 60 cents which you would be willing to allow the stewards?—A. Yes.

Q. And you had difficulty in getting them to agree to that?—A. Yes, they thought they were going to lose money on it.

Q. Can you tell me what the rate was ascertained to be under the old system?—A. I cannot from memory.

Q. You say it was higher?—A. Yes.

Q. You were the person taking charge of the matter at that time? You were the Deputy Minister?—A. Yes.

Q. And you were interested in looking into it?—A. Certainly.

Q. Did you find a very considerable saving was effected in this way?—A. I cannot say exactly what it was.

Q. I did not ask you that; I asked you did you find any considerable saving was effected?—A. It all depends on what is regarded as a considerable saving.

Q. Can you give the committee any idea of the difference in rate?—A. No.

Q. Of the saving effected by the change?—A. I have not these in my memory.

Q. Can you get them?—A. Yes.

Mr. BRODEUR.—A report has been brought down before the House about three years ago, giving the figures.

Witness retired.

Committee adjourned until Wednesday, December 14, at 11 a.m.

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# EVIDENCE

TAKEN BY THE

## PUBLIC ACCOUNTS COMMITTEE

RESPECTING

### STEAMERS 'EARL GREY,' 'CANADA' AND 'MONTCALM'

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No. 2—DECEMBER 14 1910

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OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1910





# MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32.

WEDNESDAY, December 14, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Warburton, presiding.

The committee proceeded to the consideration of a payment amounting to \$155,440.54 to Vickers Sons & Maxim in connection with the Government steamer *Earl Grey*, page O-11 of the Report of the Auditor General for the fiscal year ending 31st March, 1910.

MR. GEORGE J. DESBARATS, Deputy Minister of the Naval Service, called, sworn and examined.

*By Mr. Northrup:*

Q. In reference to the purchase of this ship *Earl Grey*, for which upwards of \$150,000 was paid, was she purchased under written contract?—A. Yes.

Q. Has the department the contract?—A. I think you have all the papers there.

Q. Well, Dr. Reid has been unable to find the contract. While they are looking for it perhaps you can tell me by whom was the contract made for building the *Earl Grey*?—A. By the Department of Marine and Fisheries.

Q. By which individual in the department?—A. You mean who signed it?

Q. If there is a contract there must have been a bargain of some kind made by somebody with the Vickers-Maxim firm?—A. Yes.

Q. Who on behalf of the department acted in making that bargain?—A. Oh, the minister acted.

Q. It was the minister himself who made the contract with the Vickers-Maxim firm, was it?—A. It was probably either the minister or deputy minister who would sign the contract.

Q. Well, but who was it made the bargain, or who was it negotiated the purchase; who carried on the negotiations between the Government of Canada and the Vickers-Maxim firm?—A. They were carried on by correspondence. An advertisement was inserted in the press calling for tenders and a number of tenders were received from various firms for the vessel in accordance with conditions and specifications issued by the department.

Q. And in response to published advertisement tenders were sent in?—A. Yes.

Q. And the tender of the Vickers-Maxim firm was accepted?—A. Yes.

Q. By the minister, he was the one who dealt with it?—A. Well, as to final approval he would certainly approve of it—I do not quite grasp your question.

Q. Who acted for the Government of Canada in the negotiations; you tell me that advertisements were inserted in the papers, I understand that tenders were received in response to that advertisement, and that the tender of the Vickers-Maxim Company was accepted by the department?—A. Yes, the tenders when they were received were examined by the technical officer who is in charge of that part of the work.

Q. Then the whole bargaining and the making of the contract was between the department, the officers of the department and the Vickers-Maxim people; no outsiders had anything to do with it?—A. Oh, no.

Q. Was it all in writing, the whole of the negotiations, or were there any verbal discussions?—A. Oh, no, there were no verbal discussions.

Q. So that the papers brought down, the correspondence, show everything that took place?—A. They show everything that took place.

Q. And no outsider had any authority to act in any way for the Government of Canada?—A. Certainly not.

*By Mr. Reid (Grenville):*

Q. With regard to the steamer *Earl Grey*, who made the plans for the construction of that steamer?—A. They were drawn up by Mr. Duguid, the naval architect of the department.

Q. They were drawn up here in Canada?—A. Yes, at Ottawa, here.

Q. He is the technical officer of the department at Ottawa?—A. Yes.

Q. And he made the plans?—A. Yes.

Q. Was there only one set of plans made for that steamer as advertised for?—A. There were a number of sets sent out.

Q. Were sets of the first plan drawn set out, or was there another set of plans made afterwards enlarging the steamer by two or three feet?—A. Of course a number of tentative schemes were drawn up, there were certain changes made as will always be done in cases like that. It is usual to draw up a tentative scheme which will be submitted for consideration and changes are frequently made before a final determination is arrived at.

Q. What was the length of the first steamer that was designed? There were only two plans drawn, as I understand it?—A. I should say there was a good many more than that—I should call them sketches.

Q. I say with regard to the length of the steamer—there were only two plans, as I understand it, as to that feature?—A. I do not recollect that. If you show me the papers I might recall it.

Q. That is the trouble, I cannot find the papers.—A. I have no doubt there were a good many changes made in the first plans.

Q. This contract gives the length as 250 feet between perpendiculars?—A. Yes.

Q. Do you know what that means over all?—A. No, there would be some small addition to that for the overhang.

Q. As I understood this specification here it is for 250 feet between the perpendiculars, and 46 feet breadth?—A. Yes.

Q. Now it strikes me that the other plans show a vessel just about one foot longer than our Welland Canal locks.—A. That is the definite plan; no, it is not one foot longer, I think it is one foot wider, 46 feet is one foot wider than the Welland Canal locks.

Q. Well, as I understand it, the original plan called for a vessel that would go through the Welland Canal, but that plan was changed to a size just large enough that she could go through.—A. No, I do not think there would be any thought of that, the width would be of very great importance in a vessel which had to encounter masses of ice and which would probably be pinched in the ice, so that it was very important she should have a strong resistance to the overturn. Now the beam is quite a factor in that resistance, and it was essential that she should have as wide beam as would be consistent with the other qualities she should possess; she had to have speed, and beam is against speed, so that you will have to take a figure which will give the proper result under all these conditions.

Q. Yes, but as I understand it the original plans and specifications, as made out by Mr. Duguid, were made out for a vessel 45 feet in width, if that is the width of the Welland Canal lock, so that she could go through the Welland Canal, and that those plans were changed, or were so altered as to call for a vessel one foot wider?—A. I think I recall now what you are alluding to, there was one of the preliminary schemes

or sketches did show a narrow vessel, if I recall it accurately, and we got an opinion from—I am speaking now of an event that occurred three years ago—my recollection is that we got an opinion, either formally or informally, from the architects' division of the Admiralty in England, and they suggested certain alterations, among others an increase in the beam.

Q. You have that opinion in writing, I suppose?—A. I presume so.

Q. And you received tenders then from the large builders in England?—A. From shipbuilders all over.

Q. Did you receive any Canadian tenders?—A. The list of tenders is there, it will show that.

Q. Mr. Duguid is the person, I suppose, who would know about the change in the plans?—A. Yes, he would have the most complete knowledge about it.

Q. Now you received the following tenders: Messrs. Fleming & Ferguson, Limited that is a firm in England, I suppose?—A. Yes.

Q. For £76,160. Then William Hamilton & Co., Limited, £81,700—I might ask you, as we go along, do you know if Fleming & Ferguson had a representative in Canada, or an agent here making inquiries about this steamer at the Department?—A. I do not know.

Q. William Hamilton & Co., their tender was £81,700, do you know if they had a representative here?—A. Not that I know of.

Q. Swan, Hunter & Co., Limited, £82,800; do you know if they had a representative here calling on the department, on you or the minister?—A. I know that Swan, Hunter & Co. had an agent in Canada.

Q. Who is he?—A. Mr. DeSola of Montreal.

Q. Have you ever purchased steamers for the Department from Mr. De Sola?—A. No, our negotiations have been direct.

Q. Mr. De Sola was the agent who interviewed the Department here on their behalf?—A. Yes.

Q. William Beardmore & Co., Limited, were the next tenderers and their tender was £90,570; have they any representative in Canada?—A. Not that I know of.

Q. John Reid & Co., £95,100, have they a representative here?—A. There is a Mr. Reid in Montreal, who is a ship builder, but I do not know if he is the same man.

Q. The Fairfield Shipbuilding Co., Limited £97,638, have they any representative here?—A. I do not know of any.

Q. The London & Glasgow Shipbuilding Co., Limited £98,575, have they a representative?—A. I do not know of any.

Q. The Palmer Shipbuilding & Iron Company, Limited £101,000, have they a representative?—A. I do not know of any.

Q. Sir W. G. Armstrong, Whitworth & Co., Limited, £103,400, have they a representative?—A. I do not know of any.

Q. Vickers Sons & Maxim, Limited, £104,670, have they a representative?—A. Well, occasionally Messrs. Lewis & Co., of Montreal act for them.

Q. That is Mr. Lewis of Lewis Bros?—A. Yes.

Q. Do you know if he interviewed the Government on behalf of this firm in this case?—A. The negotiations were probably carried on direct with these firms.

Q. There was no payment made through Mr. Lewis?—A. I should not think so.

Q. Are you sure there was none?—A. I haven't personal knowledge of the payments.

Q. They would not go through you?—A. No.

Q. Payments are not made through the Deputy Minister?—A. No, they would go through the Accounting department.

Q. Did Mr. Lewis ever come to you for a payment, or ask you for a payment on account of that contract?—A. I cannot recollect that he did, I have had conversations with Mr. Lewis; the payment I imagine would be all made direct to Vickers Sons & Maxim.



Q. F. W. Dahlstrom, £117,250, have they a representative in Canada?—A. I do not think so.

Q. So that only two firms among those tendering have any representative in Canada, Swan Hunter & Co., Limited, from whom the government have, you say, purchased vessels, and Vickers Sons & Maxim?—A. And possibly the Reid firm.

Q. Now £104,670 was the tender of the Vickers Sons & Maxim Company which was accepted from among those you received?—A. No, I think it is £103,000, is it not?

Q. It is down here "Total cost £104,670," that is signed by Mr. Duguid.—A. Is there not a note to that?

Q. Oh yes. "The Messrs. Vickers request by cable on 24th instant to be allowed to correct error in their tender. Their price is now £103,000"—A. Yes, that is quite correct.

Q. I was taking the figure from the schedule here and had not noticed the foot note. So their tender was £103,000. That was the lowest tender, was it?—A. No.

Q. I notice here that the tender of the Palmer Shipbuilding & Iron Company, Limited, was £101,000 for the same speed, 17 knots, and I notice that the London & Glasgow Shipbuilding Company's tender was £98,575, for a faster steamer?—A. The speed of the Vickers is 17½ knots, is it not?

Q. Well, it is marked here 17.—A. I think it is 17½.

Q. Oh it is, is it?—A. Yes, I think that is it.

Q. So that she was not the fastest steamer nor the lowest in price?—A. The reasons for not accepting that tenders are set out in a report from Mr. Duguid, our technical officer, which is attached to those tenders.

Q. Do you know if Mr. Lewis was in England at the time this contract was entered into?—A. No, I do not.

Q. Was the contract made here in Ottawa? Was the minister here in Ottawa at the time it was made?—A. Oh yes—the contract was made in Ottawa, I do not know whether the minister was here or not.

Q. Well it was on the report of Mr. Duguid, the technical officer of the department, that Vickers Sons & Maxim tender was accepted?—A. Yes, the report is attached there.

Q. And his report solely was the reason for accepting it?—A. That guided the department. His report was looked over, his reasons seemed good, and the department was guided by them.

Q. You didn't consult any outside naval architects of any kind?—A. No.

Q. You simply acted on his advice in the whole thing?—A. Yes.

Q. These other firms whose names I have just read to you, the report states, are reliable firms?—A. The report criticised the offers that they made; they offered certain things and they did not in every case offer what we required, the report gave the reason why the offer of Vickers Maxim was the most advantageous to the government.

MR. CARVELL.—How would it be to have that report put in at the present time.

MR. REID (Grenville).—All right, here is the report which shows just what the offers were.—A. Yes, the report is attached to the tenders.

(Report filed as follows.)

## REPORT ON TENDERS FOR ICE-BREAKER FOR PRINCE EDWARD ISLAND.

I have the honour to submit, as requested, a report on the twelve tenders received for the above vessel.

Tenderers were asked to submit and provide for the following:

(a) Cost including delivery at Charlottetown; (b) estimated speed with the 6,000 horse-power specified; (c) estimated stability as per conditions laid down in speci-



fication page 20 (this should not be less than 30") ; (d) a deposit of 10% of total cost of ship to be made with tender.

*Note on Speed.*

The speed estimated by the various firms vary from 15½ knots to 17.2 knots.

The speed desired by the department is about 17 knots. All the speeds have been estimated from the plans which accompanied invitations to tender, the general form being shown on these, consequently it is a question of greater efficiency in machinery and a thorough knowledge of a good combination of ice-breaking form in conjunction with speed form, which enables those firms with experience in this class of work to provide for a higher speed. The difference in the cost due to increasing the speed from 15½ to 17 knots on the form shown on the plan would be an increase of approximately £10,000 and would entail considerable modification in the design. If the form forward was modified and hollow lines introduced, those firms specifying 15½ and 16 knots might then obtain the 17 knots desired without any increase in power, but the form would with these lines be quite unsuitable for ice-breaking performances and could not under any consideration be adopted.

The firms Nos. 1, 6, 9, 10, 11 and 12 are the only firms on the list who have any experience of ice-breaker construction, and its special features, but as the important and heavy nature of the structure and machinery in this particular vessel and the severe service for which she is intended, requires construction by a firm having large experience in this special work, it is respectfully suggested that consideration be given only to the tenders submitted by Nos. 9 and 10. These are firms of the greatest repute in ice-breaker designs and construction.

A comparison of the tenders submitted by these two firms show some similarity, but in view of the favourable price quoted by Messrs. Vickers (No. 10) the greater speed guaranteed, and the higher standard of work obtained as shown in the foregoing report, it is respectfully submitted that the tender of Messrs. Vickers Sons and Maxim Limited, be accepted, as this tender provides for a much superior vessel, and one more suitable for the service. During the time negotiations were proceeding in London in August, 1907, I estimated the price of the vessel then to be approximately £106,500.

With the reduction which has taken place recently in the cost of labour and material I consider the price quoted by Messrs. Vickers to be a fair price for high class construction.

(Sgd.) CHARLES DUGUID,  
Naval Architect."

Q. That is Mr. Duguid's report on that?—A. Yes, that is his summary report, following that you will find a detailed report on each tender.

*By Mr. Currie (Simcoe) :*

Q. I would like to ask you if this engineer who passes on these tenders and makes this report is not a former employee of Messrs. Vickers Sons & Maxim?—A. He was connected with them at one time, I believe.

Q. Is he connected with them now?—A. No, he has been employed by the Canadian government for a number of years.

*By Mr. Reid (Grenville) :*

Q. He was not employed by Vickers Sons & Maxim at the time the contract was entered into?—A. Certainly not, he was employed by the government, here in Ottawa.

Q. He had left the employ of Vickers Sons & Maxim?—A. Yes, quite a long time before that.

*By Mr. Currie (Simcoe):*

Q. The contract has a clause here respecting hull, engines and equipment:

"The vessel shall be constructed in hull, engines and equipments to class 100 A 1 at Lloyds, and built under their special survey and the British Board of Trade requirements and Canadian Steamboat Inspection Act and all in accordance with the specifications and drawings, said specifications and drawings shall be integral portion of the present contract"—that is the specification and drawings furnished by the department, prepared by the engineer of the department—"and everything which may be necessary as an adjunct or accessory to perfect, complete and make effective everything coming within the scope of the specifications although not described therein, shall be executed, supplied or furnished by the builders, as if the same had been specified" etc.

Now, Sir, you provide this specification, everything was shown in the plans, drawings and specification, and the engineer after giving a specification containing everything essential regarding the manner in which the vessel should be built and equipped, goes to work and makes a report stating that there is a firm which offers to provide some other form of specification—was there any change in the specification and plans?—A. There was no change in the specification but the plans as issued in such cases are usually not complete plans. The firms tendering for building the vessels are asked to supply certain guarantees as to speed and efficiency. Now, the speeds offered were not identical, certain firms offered lower speeds, and others offered designs of vessels which did not provide for sufficient stability and it was essential in view of the nature of the work contemplated to have a vessel which had the required stability.

Q. Just a moment, you say these firms offered a design which was not suitable; did you not provide the design in your drawings and specifications?—A. Not a detailed design, but a general design and the conditions under which the vessel was to be built were laid down in this specification.

Q. Can you produce here the design you provided?—A. Yes, that can be had.

Q. And the specifications in full, all the details?—A. Yes.

*By Mr. Reid (Grenville):*

Q. Now we will take what he says about these different firms, and we will see why these firms' tenders were rejected. The first tender is that of Fleming & Ferguson, Limited. Mr. Duguid says of that firm:

"The Messrs. Fleming & Ferguson propose sub-letting the contract for the hull to Messrs. Russell & Co., of Port Glasgow, Scotland. This firm is not in my opinion one sufficiently conversant with ice-breakers to undertake the work satisfactorily. From my own knowledge they have a reputation for quick and cheap construction, consequently it would be inadvisable to entrust the construction of the new ice-breaker to a firm of this class. The system of sub-letting contracts should in this important vessel be avoided. Messrs. Fleming & Ferguson are on the list of firms building for the British Admiralty but for the construction of dredges alone. The works are not equipped for the construction of large and important work."

Now the next tender was that of Messrs. William Hamilton & Co., of whom Mr. Duguid says:

'Messrs. William Hamilton & Company are a small firm on the 'Clyde,' Scotland, who have no experience in construction of this particular class, and consequently cannot be recommended.'

Might I ask you if you took any other means, other than the report of Mr. Duguid, an officer of the Department and a former employee of Messrs. Vickers Sons & Maxim, to find out whether his statement about those firms was true or not?—A. I think as far as Fleming & Ferguson are concerned I was aware personally of the work they do.

Q. Were you aware, or had you the same knowledge with respect to all of the firms?—A. No, not to all of them.

Q. You sent the advertisement calling for tenderers to Lord Strathcona to be inserted in the newspapers in the old country?—A. I do not remember how they were inserted, they were probably inserted by the Secretary of State.

Q. There was a cable, I understand, sent to Lord Strathcona to advertise in several of the newspapers?—A. That would be that he would have the plans and specifications on exhibition at his office, I presume.

Q. Who is it signs 'Dominion' to cables from the other side?—A. Lord Strathcona.

*By Mr. Northrup:*

Q. There is a cable here:

LONDON, February 12, 1908.

Brodeur, Ottawa, Ontario,

Your cable eleventh afraid make unfavourable impression if advertisement given only to *Standard*. *Canada* and *Canadian Gazette* would suggest inserted also in *Times* and *Scotsman* and one or two other daily papers thus giving increased publicity.

Dominion.'

That shows the advertisement was inserted through Lord Strathcona on the other side?—A. It is quite possible.

Q. Do you know if there was any communication sent to Lord Strathcona to get an official report on the standing of those firms?—A. I do not recollect.

Q. So we have only Mr. Duguid's own personal report on that so far as you know?—A. I think he was well qualified to judge of that.

Q. Do you know whether Fleming & Ferguson were contractors for the Admiralty?—A. They were for dredges.

Q. For dredges only?—A. Yes, they do not build hulls.

Q. It is machinery they build?—A. That is all, they build machinery.

Q. And they do not build hulls?—A. No.

Q. Do you know if they have ever built any hulls for any steamers?—A. They have built them I understand by sub-letting.

Q. Sub-letting?—A. Yes, they have them built by another firm.

Q. They have no yards of their own?—A. Only dredge yards.

*By Mr. Currie (Simcoe):*

Q. Is it not the practice on the Clyde and Tyne for one firm to be builders of engines and machinery and another firm to build the hulls?—A. That is so occasionally.

Q. Is not that the practice?—A. No; some firms build both hulls and engines and others only build hulls, other again only engines.

Q. Supposing one of the large firms on the Clyde contracted for a warship, and the contract called for the Parsons turbines would that firm build those engines?—A. They might, there are several firms building turbines.

Q. How many firms are builders of engines and hulls too?—A. I could not say how many, I know there are some.

Q. There are two or three, Vickers Sons & Maxim is one firm and there is the Armstrong-Whitworth firm.—A. I know there are a certain number of firms building those turbines under a royalty arrangement.



*By Mr. Reid (Grenville):*

Q. Well now the next firm dealt with by Mr. Duguid in his detailed report is the firm of Swan, Hunter & Company Limited. He says:

'The Messrs. Swan, Hunter & Company construct both hull and machinery so that no sub-letting of contract would be necessary in this case, but the firm have no experience in the construction of ice-breakers. As the range of stability estimated is so small the speed insufficient and no deposit made, it is respectfully suggested that this tender be not considered.—A. Yes.

Q. Now the only reason assigned there for not considering the tender is that they haven't experience in building ice-breakers?—A. No, there were three reasons; their design was not what was required, they had no experience, and their tender was irregular because they did not send in a deposit with it.

Q. So that if the firm would not put in a deposit you would not consider their tender at all?—A. That is the usual procedure.

Q. You understood they were a very reliable firm?—A. Oh yes, they build large vessels, they build commercial vessels.

Q. It might be they had overlooked the fact that there was a 10 per cent. deposit required?—A. Their design was faulty, they were not offering sufficient speed nor sufficient stability.

Q. 16 knots?—A. Well that is not enough.

Q. According to Mr. Duguid's report didn't he say, 'Something around 17 knots?'—A. 17 knots? Yes, 17 was what was wanted.

Q. But he stated also that the extra knot, I might say would cost about £10,000?—A. Yes.

Q. Now, Swan, Hunter & Company tendered for \$82,800 for 16 knots?—A. Yes, and a very low range of stability.

Q. What was the range of stability?—A. You have it before you, Dr. Reid.

Q. Well, the one that was accepted was 2 ft. 6 in.—A. That is 30 inches.

Q. And this is 1 ft. 6 in.—A. 18 inches.

*By Mr. German:*

Q. Is that the thickness of the plate?—A. No, that is the length of the lever on which the weight of the vessels resists overturning when the ice presses against her sides.

*By Mr. Reid (Grenville):*

Q. Of Messrs. William Beardmore & Company Mr. Duguid reports:

"The Messrs. Beardmore construct both hulls and machinery consequently no sub-letting of contracts would be necessary. The firm is of good standing, and their works are well equipped, but in the designing and construction of ice-breakers the firm have no experience."

Now that is the only reason there given, as I understand it, because they had no experience in the construction of ice-breakers, for rejecting their tender.—A. Were they in order also as to their deposit?

Q. It says, "Cheque received with tender."—A. Yes, that was the reason then for overlooking their tender, I presume, but I have not the facts before me.

Q. It says here, "Cost £90,570," which was £13,000 less, that is \$65,000 less than the tender of Vickers Sons and Maxim, and that is what it says about this firm:

"The Messrs. Beardmore construct both hull and machinery, consequently no sub-letting of contracts would be necessary. The firm is of good standing and their works are well equipped, but in the designing and construction of ice-breakers, the firm have no experience."

A. Yes. What was the speed of their vessel, and their guarantee of stability?



Q. It says here, "Cost £90,570, speed, 16 knots. Stability, none given.—A. You see their speed was low and they do not guarantee any stability; they were weak on two points.

Q. He did not mention that; that is no reason when their tender was in proper form?—A. Their tender was in proper shape.

Q. As I understand you there was no other communication with this firm. Their tender was simply set aside although they were £13,000 less than the tender which was accepted?—A. They offer a lower speed which would require £10,000 to put it up to the other one.

*By Mr. Currie (Simcoe):*

Q. What is required to be calculated in determining the stability of a vessel?—A. The shape and width of a vessel.

Q. Did you not provide that in your specification?—A. No. We asked that the owners should guarantee the speed of the vessel and they had to provide the lines within certain limits; they had also to guarantee the stability and to provide the detail shape of the vessel.

*By Mr. Reid (Grenville):*

Q. Then comes the London & Glasgow Shipbuilding Company tender, of which Mr. Duguid reports:

"The price quoted does not cover for an installation of 'Stones' ash expellers, as required by specification. In order to put this tender on the same basis as the others it is necessary to add the sum of £2,200 for this installation, thus making the total price £100,775.

"The speed named is satisfactory, but the range of stability is considered small." It is, I see 2.30 feet, practically the same as the other, and it is a faster vessel than the *Earl Grey*.—A. Was the tender in order, was there a cheque with it?

Q. No there was no cheque with it.—A. There was no deposit, so that it was irregular.

Q. As I understand you, Mr. Desbarats, you say that you never ask a firm for a cheque afterwards?—A. How do you mean?

Q. With regard to any of these firms whose tenders were lower than that which you accepted?—A. No, we never do it. If the tender is irregular that puts it out of the running at once.

Q. Then if you could save \$65,000 by doing so you do not ask the tenderer for another deposit?—A. That is the rule of the department, it is the rule everywhere.

Q. That is the rule of the Marine and Fisheries Department?—A. It is the rule of all the departments in the government.

Q. Now, here is the tender of the Vickers Sons and Maxim firm, of which Mr. Duguid reports:

"The speed named is satisfactory, being one knot in excess of the vessel at present on service. The stability estimated is ample. The tenderers guarantee to construct a vessel which will meet the requirements of the service, as detailed in the specification in every way."

A. As I understand it, some of the other tenders were not very definite about it, some of them seemed to be very doubtful.

Q. The report proceeds:

"The Messrs. Vickers have a large experience in designing and constructing of this special class of work."

Q. What does that mean?—A. They had built ice-breakers before, some large Russian ice-breakers.

Q. (Continues reading)—

"No sub-letting of contracts is necessary as this firm construct both hull and machinery. The quality of the work turned out is to the Admiralty standard and as the firm have only one shipyard, this standard is guaranteed in all work obtained. This tender with the high speed guarantee, and the fact that all conditions have been met as requested is respectfully recommended for serious consideration. The Messrs. Vickers promise delivery in ten months from date of order.

"The Messrs. Vickers request by cable on the 24th instant to be allowed to correct error in their tender. Their price is now £103,000."

*By Mr. Currie (Simcoe):*

Q. When were the Vickers-Maxim firm building ice-breakers?—A. They built one for us; we have one on the St. Lawrence, the *Lady Grey*, which was doing extremely good work, and they built some large Russian ice-breakers.

Q. When?—A. Just previous to that.

Q. Just a moment, now; you said this firm built an ice-breaker for you?—A. Yes.

Q. What is the name of that vessel?—A. The *Lady Grey*.

Q. Was that vessel laid up for repairs after butting into a little ice?—A. No.

Q. Has the ice ever caused her any damage?—A. Oh, yes, after two years though, she had to have some re-riveting done.

Q. How much was the cost?—A. I do not remember.

Q. Was it \$10,000?—A. I do not remember.

Q. Was it \$5,000?—A. As I said I do not know what the cost was.

Q. So that any shipbuilding company is liable to build a vessel that if she bucks the ice hard enough is liable to have a hole punched in her?—A. Yes, but there are degrees, you know.

Q. What difference is there in the steel that goes into vessels of this class, provided by the various firms?—A. There is practically no difference, the steel is subject to test and is practically the same.

Q. You specify the weight of it, do you not?—A. But not the details of construction.

Q. I am talking of the weight of the steel that has to be provided, not of the construction?—A. I think we provide that, I do not recollect now what details we did specify, I would have to look up the papers to ascertain that.

*By Mr. Northrup:*

Q. Can you give me a couple of dates, Mr. Desbarats. I do not understand these contracts. Can you tell me when you first decided to call for tenders?—A. For what?

Q. For building the *Earl Grey*?—A. No, I do not think I can; I think that was before I was in the department.

Q. Can you tell me how long a time you allowed for the tenderers to look into the matter and make their tenders?—A. No, I could not tell you, but it would be shown by the records.

Q. Apparently, as far as I can make out, about the 19th of February you drew up your advertisement on this side of the water. Is there anything there to show that?—A. No, I haven't anything here to show that.

*By Mr. Currie (Simcoe):*

Q. Do you know whether it is the practice of the Admiralty to require a deposit from shipbuilding firms that take contracts for warships, or for any ships?—A. No, I do not know.

Q. Is there any body in your department who would know that?—A. I do not think there is anybody not connected with the contract end of the Admiralty who knows what their practice is.

Q. Is it customary for anybody outside of this department to exact it?—A. I beg pardon.

Q. It is the custom in any case to exact a deposit from a shipbuilding company?—A. Yes, that is the practice for all contracts for the Canadian Government.

Q. That is the practice of the Canadian Government?—A. Yes.

Q. But is it the practice for anybody else or for any other government?—A. I do not know anything about any other government.

*By Mr. Northrup:*

Q. I see there is an advertisement dated the 19th of February, 1908 and that tenders were to be sent in, according to this, by the 9th of March. As far as we can see from the papers the advertisement was drawn up in Ottawa on the 19th of February and the tenders had to be in Ottawa, had to be received here from the Old Country on the 9th of March?—A. Who is the advertisement signed by?

Q. By F. Gourdeau.—A. Yes.

Q. It is drawn on February 19th and tenders "addressed to the undersigned at Ottawa, in sealed envelopes, and marked on the envelope 'Tenders for the construction of an ice-breaking steamer' will be received up to the 9th day of March next, for the construction of a steel ice-breaking mail and passenger steamer to be delivered at Charlottetown, P.E.I. of the following leading dimensions" &c.?—A. Was that time not extended?

Q. I am coming to that. Apparently then, this (indicating papers) is the file brought down by your department, showing that your advertisement was drawn in Ottawa calling for tenders, the advertisement being dated the 19th of February and the tenders had to be received here in Ottawa on the 9th of March?—A. You will have the printed advertisement there, Mr. Northrup, which speaks for itself.

Q. I never saw these papers before this morning.—A. That is evidently what was first drawn up.

*By Mr. Carvell:*

Q. Did you see the terms under which these tenders were to be submitted?—A. I do not know, I was not concerned in that, I did not sign that.

Q. It would hardly be possible there would be eleven tenders in reply to an advertisement like that, under those conditions?

*By Mr. Northrup:*

Q. The time was extended a week for particular individuals. I see that Mr. Lewis asked in behalf of the Vickers-Maxim people for a week's extension and he got it.—A. That is frequently done, if the firms consider they haven't sufficient time to prepare their tender the time is extended.

Q. I haven't had time to look over the file but apparently the advertisement is drafted in Ottawa on the 19th of February, and the tenders were to be here on the 9th of March, here in Ottawa?—A. I have no knowledge of that detail.

Q. Would you kindly look into that matter, because that seems to be the very root of the whole matter. Will you make another memorandum? There is a letter here from the Polson firm, I do not find any answer to it on the file, but there must have been an answer. The letter is dated February 24th, 1908, by the Polson Iron Works Company to Colonel Gourdeau, and there is a memorandum on the letter, "Replied 26th of February."—A. You do not find the reply?

Q. This is the letter to Colonel Gourdeau:

"Dear Sir:

"Your of the 19th inst., inclosing plans and specifications for proposed ice-breaking mail and passenger steamer for your department at hand, for which we have to thank you. We see on going over the plans that they call for a boat a few feet too long to go through the canal, and a foot too wide," &c.

A. And there was a note that it was replied to?

Q. On the 26th, that letter is dated the 24th and the memo. is, "Replied 26-2-08."

*By Mr. Carvell:*

Q. What is the reply?

MR. NORTHROP.—I do not see any reply on the file.

*By Mr. Reid (Grenville):*

Q. Would you permit any of the other tenderers to reduce the amount of their tender if they wished to after the tenders had all been received?—A. If the firm would send us an explanation that they had made an error in their tender, and there seemed good reason for their explanation, and if the explanation was received in time I do not think we would refuse.

Q. You do not know whether Mr. Lewis had been in the department about this steamer before tenders were called?—A. Well, from the telegram Mr. Northrup read it would seem he wasn't in Canada at the time.

Q. What date was the telegram?

MR. NORTHROP.—It must have been either in February or March. Mr. Lewis wired on behalf of the Vickers-Maxim people:

"London, Feb'y. 26th, 1908.

"Honourable Brodeur, Ottawa, Ont.

"Vickers require seven days extension for ice-breaker tender to reach Ottawa owing to amount of work involved in estimates. Please cable necessary authority Vickers, London.

"LEWIS."

To that cable the following reply was sent on the same date to Vickers, London:

"Week's extension granted tender ice-breaker as requested.

"F. GOUDEAU,

"Deputy Minister"

A. Well, probably a note would be sent to the other tenderers also to the same effect.

*By Mr. Northrup:*

Q. Two or three others applied for an extension at the time and it was given them also.

(Witness retired and further inquiry into this payment deferred until after the Christmas recess.)



COMMITTEE ROOM No. 32.

HOUSE OF COMMONS,

WEDNESDAY, December 14, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Warburton, presiding.

The committee proceeded to the consideration of certain payments amounting to \$78.84 to A. M. Bell, Halifax, in connection with the steamer *Canada*, page O-159, Report of the Auditor General for the fiscal year ending 31st March, 1910.

MR. GEORGE J. DESBARATS, Deputy Minister of the Naval Service, called, sworn, and examined.

*By Mr. Northrup:*

Q. I notice in the Auditor General's Report a payment amounting to \$24.00 for a baseball outfit, and also an item of \$54.84 for "small items" which include boxing gloves, and a football outfit, for the steamship *Canada*. Why were those purchases made?—A. Those articles are for the use of the cadets we are training on the steamer *Canada*.

Q. There is a baseball outfit and a football outfit?—A. Yes, those lads are being trained for the naval service.

Q. How many of them are there?—A. Seven. We have no gymnasium for them on board where they can take exercise, and as they had to have some opportunity for games, for exercise, these outfits were purchased for the purpose.

*By Mr. Reid (Grenville):*

Q. Do they play baseball on board the steamer?—A. No, that is for their use when they come ashore.

*By Mr. Northrup:*

Q. I thought that was the whole point, that as they had no gymnasium on the steamer you bought these outfits for their use on board?—A. No, there is a small recreation ground, a small plot of land at Halifax where they can indulge in those games.

Q. Then these outfits are all for the young men, the cadets, to use when they come ashore at Halifax?—A. Oh, yes—the boxing gloves would be used on board ship, I have no doubt.

(Witness retired.)

COMMITTEE ROOM No. 32,  
HOUSE OF COMMONS,  
WEDNESDAY, DECEMBER 14, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. Warburton, presiding.

The committee proceeded to the consideration of payments amounting to \$467.92 'accounts under \$50 for sundry supplies' in connection with the Government Steamer *Montcalm*, Page O-19 Auditor General's Report 1909-10.

Mr. GEORGE J. DESBARATS, Deputy Minister of the Naval Service, called, sworn and examined.

WITNESS.—There were sundry small amounts of expenditure in connection with the *Montcalm* respecting which I was asked to obtain information. I have that information here for the use of the committee this morning.

*By Mr. Northrup:*

Q. There was a large sum at the end for sundry supplies?—A. That gives the details of it, Mr. Northrup (handing document to Mr. Northrup).

Q. That statement, Mr. Desbarats, will give us the people to whom the various amounts making up \$467.92 were paid, but it does not show what the payments were for?—A. I fancy the Auditor General has all the accounts, the original vouchers, which will give the details.

Q. All that we have in the Auditor General's Report is that it is composed of accounts under \$50 for sundry supplies.—A. I can run over them and tell you what they are for if you like.

Mr. NORTHRUP.—Well, I will look into it.

Witness retired.

COMMITTEE ROOM No. 32  
HOUSE OF COMMONS,  
WEDNESDAY, December 14, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. Warburton, presiding.

The committee proceeded to the further consideration of a payment of \$11,976.38 for board of officers and crew, Steamer *Montcalm*, page O-18.

Mr. GEORGE J. DESBARATS, Deputy Minister Naval Service, recalled.

WITNESS.—If I may be permitted, Mr. Chairman, I would like to make a statement in connection with my evidence when last before the committee in connection with the items in the Auditor General's Report giving a list of cooks on the *Montcalm*.

The items as enumerated in that report would create the impression that there are more cooks than were really carried on the pay-list. I find, on looking over that list that the regular cooking staff consisted of one chief cook at \$55 a month, one cook at \$30 a month and one assistant cook, who was really a helper in the galley, at \$25. The mess cooks enumerated in the Auditor General's Report, who are called caterers on the pay-list, are two men one of whom is attached to the seamen's mess and the other to the firemen's mess at a salary of \$30 a month, whose duty it is to procure the meals from the galley and serve them, wash up the dishes, &c. and keep the seamen's and the firemen's mess clean. They have nothing to do with the cooking, strictly speaking. I have a couple of the pay-lists here if you wish to examine them, but those two men are called caterers, or caterers assistants on the pay-list.

*By Mr. Northrup:*

Q. The whole point, as I understand it, is with reference to the manner in which they are described in the Auditor General's Report, certain members of the *Montcalm's* crew being called cooks or assistant cooks.—A. Yes.

Q. And you now wish to substitute for 'cook' or 'assistant cook' the term 'caterer' or 'caterer's assistant'?—A. Yes, and I wish also to define what these men are employed at.

Q. But the number of men in the crew is correctly given?—A. Oh, yes, the number of men and their salaries is correctly given.

*By Mr. Sharpe (Ontario):*

Q. What is the number of the crew?—A. About 65 or 70.

Q. That is including the cooks and all hands?—A. Yes.

Witness retired.

Committee adjourned.







# EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

STEAMER 'EARL GREY'

---

No. 3—APRIL 21, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1911





FRIDAY, April 21, 1911.

Room 32,

HOUSE OF COMMONS.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. Warburton, presiding, and resumed the consideration of a payment amounting to \$155,440.54 to Vickers, Sons & Maxim, in connection with the government steamer 'Earl Grey' as set out at page 11 of the Report of the Auditor General for the fiscal year ending March 31, 1910.

Mr. CHARLES DUGUID called, sworn and examined.

*By Mr. Northrup:*

Q. What is your position in the Marine Department, Mr. Duguid?—A. Naval constructor.

Q. How long have you been a member of the department in that capacity?—A. Since September, 1905.

Q. Where were you employed before that time?—A. In the Vickers firm.

Q. In London, England?—A. Yes.

Q. How long were you with them?—A. About ten years.

Q. What are your duties as naval constructor here?—A. The designing of the several vessels contemplated by the Department of Marine, and superintending the construction of the same.

Q. Drawing the plans, that would be?—A. Yes.

Q. And the specifications?—A. And the specifications.

Q. In the course of your duties did you draw the specifications for this vessel, the 'Earl Grey'?—A. Yes, sir.

Q. When were the plans first drawn for the vessel?—A. The first plans were drawn in October and November, 1905.

Q. When these plans were drawn was anything done with them towards building the boat?—A. Nothing.

Q. When next was the question of building the 'Earl Grey' taken up?—A. The question of the consideration of this steamer lapsed in December of 1905 or January, 1906, owing to the death of the minister.

Hon. Mr. BRODEUR.—Please speak louder, Mr. Duguid, I cannot hear you.

The WITNESS.—The question of the construction of this steamer lapsed in the winter of 1905-6 and then in the spring of 1907 the question was again raised regarding the design and construction of this ice-breaker by the Honourable the Minister.

Q. What was done then in the spring of 1907 towards constructing the 'Earl Grey'?—A. The original plans were placed then before Captain Brown in England, where he was in connection with modifications to the 'Stanley.' Captain Brown at that time suggested certain modifications in the loading arrangement and the state-room accommodation, and the question of a new design was suggested and brought up at that time.

Q. Who is this Captain Brown?—A. Captain Brown was then the captain of the 'Stanley,' one of the government steamers.

Q. So the plans that you had drawn were submitted to Captain Brown and he made some modifications?—A. He made certain suggestions and I was asked at

that time to look into the question as to whether those suggestions would interfere with the efficiency of the ship as an ice-breaker.

Q. And then what was done towards the construction of the ship?—A. Well, then his suggestions as to modifications were carried out and embodied in the new design.

Q. Another plan was drawn?—A. Another plan and specification was drawn up.

Q. Would that be the second plan?—A. No, there were several plans drawn up, tentative schemes or sketches.

Q. Several were drawn up?—A. Quite a number.

Q. This plan drawn in the spring of 1907. What was done next towards construction?—A. The design and specification was drawn up in 1907. The work was gone on with until the fall of the same year, and then having completed the design and specifications, these specifications were handed to Lord Strathcona at the suggestion of the Honourable the Minister, for submission to the British Admiralty for expert opinion. The British Admiralty held them for about six weeks and then gave an opinion upon the specifications which had been submitted to them.

Q. Approving or disapproving of them?—A. Generally speaking approving of the plan and specifications but with one suggestion, that in order to increase the stability of the boat for certain ice conditions, one foot should be added to the beam.

Q. That was the suggestion of the admiralty? What was the beam before that?—A. The beam in the original ship was 43 feet 2 inches. With the suggestions which had been made by Captain Brown this raised the centre of gravity of the vessel to such an extent that it was necessary in order to provide what I considered the necessary stability to put up the beam of the vessel. I put two feet on to it and that 45 foot beam was submitted to the admiralty for their opinion.

Q. And they suggested adding to it?—A. Adding one foot.

Q. Was anything added to the length?—A. They suggested adding five feet to the length, which was not carried out.

Q. But the suggestion as to the adding of one foot to the beam was carried out?—A. Was carried out.

Q. Was this done by verbal negotiations?—A. This was put in writing.

Q. I have gone through an immense mass of papers without finding those documents. Can you find them for us?—A. I think I can. (After making search). No, the papers are not there.

Q. We will allow that to stand in the meantime. Now, we understand that in 1907, if I have gathered the circumstances correctly from what you have stated, plans were submitted to the British Admiralty and they suggested the addition of one foot to the beam, making it 46 feet?—A. 46 feet.

Q. It was suggested that an addition of five feet be made to the length?—A. Yes.

Q. Which suggestion was not accepted by the department?—A. Yes.

Q. What was the object of adding five feet to the length of the vessel?—A. In order to get a better form for the speed that was asked.

Q. What speed was asked?—A. Seventeen knots.

Q. When the plans come back from the admiralty with these suggestions what was the next step towards the construction of the boat?—A. The extra foot was added to the beam, and I notified the department that the plans and specifications were completed and then, after that, I was instructed to come to Canada with these plans and specifications, and I came here about the end of the year 1908 with these.

Q. Then you were in England at the time the plans were before the admiralty?—A. Yes.

Q. Were you discussing them and explaining them to the admiralty?—A. I appeared before the admiralty and we discussed the plans together.

Q. Was there any inquiry of the admiralty as to what firms in the old country would be the proper firms to ask to tender?—A. Yes, sir; during one of our discussions

Sir Philip Watt suggested that it would be the best plan for the department only to ask firms of the best repute to tender for this vessel.

Q. Did he give you a list of those firms that you should apply to?—A. He made one or two suggestions:—the Armstrong firm for one———

Q. If I remember correctly I saw in the correspondence here a report of yours in which you named a number of firms that had been recommended by the admiralty?—A. That I believe is on the file.

Q. Do you remember the names of the firms recommended to you?—A. The Armstrong firm, the Vickers-Maxim firm, the Beardmore firm and the Fairfield firm.

Q. Those are all mentioned in your report of January 20, 1908?—A. Yes.

Q. We have this report on the file put in on page 11:—Memo for the Honourable the Minister of Marine and Fisheries.' I will read it:—

#### PROPOSED ICE-BREAKER FOR PRINCE EDWARD ISLAND.

Having completed the detail plans and specifications of the above vessel, I should esteem it a favour to be allowed to point out personally the one or two slight modifications suggested in view of the proposals made by the British Admiralty. These modifications principally refer to the disposition of the main bulkheads, that proposed by the Admiralty not allowing of that simplicity, and speed in coaling and lading such as is desired by the Department.

With reference to the question of tenders, this point was raised by Sir Philip Watt, Chief Constructor to the Admiralty, during my last interview, and he placed his views very clearly before me being strongly of the opinion that tenders should be few in number, and that only those firms whose establishments are equipped with the highest and latest class of machinery, and employing high grade labour, should be asked to tender for this heavy and high class construction. The firms mentioned by Sir Philip Watt were:—

Messrs. Sir W. G. Armstrong, Whitworth & Co., Ltd.

Messrs. Vickers Sons & Maxim, Ltd.

Messrs. Fairfield Shipbuilding Co., Ltd., or

Messrs. William Beardmore & Co., Ltd.

These firms have works all equipped with the latest machinery and are well qualified to undertake the construction of the very heavy hull structure and machinery of the Ice-breaker.

The above suggestions of the Chief Constructor to the Admiralty who is closely in touch with everything appertaining to ship construction are worthy of full consideration.

The specifications completed are six in number, one of which should be retained by the department for reference, one for any other firm as desired by the Honourable the Minister, one by the undersigned for use during construction, and the other three being distributed as indicated by Sir Philip Watt.

(Signed) CHAS. DUGUID,  
*Naval Architect.*

Department of Marine and Fisheries,  
Ottawa, Ont., January 20, 1908.

That is your report of January 20, 1908, and I notice that in that report you start out by saying:—'Having completed the detail plans and specifications of the above vessel, I should esteem it a favour to be allowed to point out personally the one or two slight modifications suggested in view of the proposals made by the British Admiralty.'

And then you refer to the main bulkheads, so that in your report to the minister you did not refer to any addition to the beam of the vessel?—A. I do not quite follow that.



Q. What I mean to say is, that in this report to the minister you point out that the modifications suggested by the British Admiralty principally refer to the disposition of the main bulkheads and you find fault with the proposition by the admiralty not allowing of that simplicity and speed in coaling and lading desired by the department. There is nothing in your report to the Department indicating any necessity for greater beam?—A. That might be embodied in another report giving dimensions.

Q. Do you mean to say there was such a report?—A. Yes, these modifications would be pointed out.

Q. You ask here to be allowed to point out personally one or two slight modifications, and then you refer to the bulkheads—this is your report of January 20, 1908?—A. Yes, well the modifications——

Q. If there is a fuller report we would like to see it?—A. (After examining file.) These modifications as suggested by the British Admiralty must have been made through the High Commissioners office in 1907. This file only commences in 1908.

Q. Will you kindly make a memorandum and let us have any report made by you to the department asking for a greater beam?—A. I will.

Q. Now we have come to the stage where you returned from the old country and had laid the plan with the suggestion of the admiralty before the minister. What was the next step towards construction of the vessel?—A. The next step would be calling for tenders.

Q. You got out an advertisement I suppose calling for tenders?—A. Yes.

Q. Do you know the date that advertisement was drawn up—as a matter of fact it was the 19th of February?—A. I think the date was the 8th or 9th of March, or February.

Q. The 19th, that was the date?—A. It would be the 8th or 9th of February.

*By Hon. Mr. Brodeur:*

The department called for public tenders for this vessel?—A. Yes.

Q. They did not accept your suggestion to have only four firms tender?—A. No.

Q. But issued a call for public tenders?—A. Yes.

*By Mr. Northrup:*

Q. Have you anything there to show the date of the advertisement?—A. It is on the file there.

Q. That is something we have not yet come to. This is a cable from you to Lord Stratheona; we have not reached that stage yet. I am asking you when the advertisement was drawn up and this shows it was on the 19th of February. A. That was for insertion in the Canadian papers.

Q. On the 19th of February this advertisement was drawn up for insertion in Canadian papers, is that correct?—A. That is right.

Q. And if you remember, the tenders were to be in the hands of the Minister by the 9th day of March next?—A. Yes.

Q. And that advertisement was inserted in a number of Canadian papers?—A. Yes.

Q. Have you any way of showing which was the first date on which that would have appeared in Canada?—A. I think the cuttings from the papers are on file.

Q. At all events—we need not waste time about that—the advertisement was not drawn up until the 19th of February. A. For the Canadian papers.

Q. And the tenders were to be in the hands of the Minister of Marine by the 9th of March?—A. Yes.

Q. That would be about 17 or 18 days?—A. Yes.

Q. I find here a long list of papers showing that you advertised from the Atlantic to the Pacific. That is correct, isn't it?—A. That is right.

Q. What shipyards were there in Canada west of Montreal, in which these boats could be constructed?—A. I am not aware of any.

Q. You are not aware?—A. Can you give any reason then why you advertised so voluminously from the Atlantic to the Pacific if there are no shipyards west of Montreal that could build this class of vessels?—A. Well, I understand it is the law that all tenders must appear in the Canadian papers, in the public press. That is the reason.

Q. That is the reason you give: you understand it is the law that all tenders must be called for?—A. In the public press.

Q. In all parts of the Dominion?—A. In all parts of the Dominion.

Q. Irrespective of whether all parts of the Dominion could possibly send in tenders or not?—A. I understand that is the law.

Q. Now why were there no shipyards west of Montreal that could build these boats?—A. Well, the beam of the boat was 46 feet as agreed upon.

Q. Yes?—A. The breadth of the beam is 44 feet. The depth is 14 feet. The light ship draft of this boat is considerably more than 14 feet and the beam is more than the breadth of the locks.

Q. Were you aware of the fact that our locks were narrower than the beam proposed by the admiralty?—A. This was only brought to my attention at the end of January, 1908, in the department that the beam of the ship as approved and as accepted was two feet—exactly two feet two inches—wider than the width of the locks.

Q. And the boat was to be delivered at Charlottetown, I believe?—A. Yes.

Q. So that to make a long story short you accepted plans which you knew prevented Canadian shipyards west of Montreal from tendering?—A. I did not know then.

Q. But you had the information you said?—A. At the end of January, but the plans had been completed and the specifications finished at the time, and I think the specifications had been accepted.

Q. But no public advertisement was issued until after February 19?—A. February 19.

Q. The negotiations for the building of the boat had been going on since 1905?—A. The negotiations for the designing of the boat had been going on since 1905.

Q. And before the advertisement calling for tenders was issued you learned that the beam—the breadth of beam—would prevent Canadian shipyards west of Montreal tendering?—A. After the final designs had been drawn up.

Q. But before any tenders were called for?—A. Yes.

Q. And did you reconsider the plans then and see if it would not be possible to give Canadians a chance to tender?—A. Yes I did, and I came to the conclusion that if the beam was reduced in order to suit the width of the canal locks—the locks in the canal—I came to the conclusion that if the beam was reduced the vessel would not have sufficient stability for her ice work.

Q. That was a different conclusion from the one you had come to when you first prepared the plans, apparently?—A. Yes, different for this reason: the lading conditions and the alterations to the accommodations in the ship had been raised. The centre of gravity of the ship had consequently gone up, and with the centre of gravity going up the vessel has always less stability.

Q. Then let me understand. As you prepared the plans originally you thought that the stability was all right?—A. The stability was ample.

Q. And as these plans were drawn originally the boat could have gone through our canals?—A. No.

Q. How was that?—A. The depth of the ship would have interfered with her passage through the canals.

Q. But as far as the width is concerned she could?—A. As far as the width was concerned, yes.

Q. By reason of some changes merely in cabin accommodation and lading it became impossible?—A. Yes.

Q. And rather than change those trifling matters of cabin accommodation and lading you adhered to plans which prevented Canadian shipyards tendering; is that the fact?—A. Captain Brown was——

Q. Do not bother with anything else. Is that the fact?

Hon. Mr. BRODEUR.—You are not putting the question in a fair way. The witness did not say what you are suggesting in your question. What he said was this——

Mr. REID (Grenville). You should not explain what he is going to say.

Hon. Mr. BRODEUR.—No, I am simply calling the attention of Mr. Northrup to this fact; that he is not putting the question in a fair way.

Mr. REID.—Well then let Mr. Northrup put the question again.

*By Mr. Northrup:*

Q. Did you not tell the committee that your first plans would have allowed the boat to go through the canal as far as the beam was concerned?—A. Quite right.

Q. Did you not tell the committee that subsequently your plans were modified by Captain Brown in regard to accommodation and some questions of lading?—A. Yes.

Q. Did you not say that by virtue of these changes by Captain Brown it became necessary to increase the beam?—A. Yes.

Q. Then I ask you did you consider, in view of the fact that the vessel as ultimately agreed on could not pass through the canals, the advisability of dropping these suggestions adverse to your original plan?—A. Oh no, that was not considered.

Q. So then, to get back to where I was a while ago, it is a fact, is it not, that as far as beam is concerned the only reason why these vessels could not be constructed in Canada was in consequence of Captain Brown's suggestions with regard to cabin accommodations and the lading?—A. And the lading of the ship.

*By Hon. Mr. Brodeur:*

Q. As far as draft is concerned would the vessel pass through the canal?—A. No.

Q. Not even according to your original plans?—A. No.

Q. So the change that has been made at the suggestion of the British Admiralty would not prevent the vessel passing through the canals or prevent it being built on the lakes—the change as to width?—A. No, not the admiralty changes.

*By Mr. Northrup:*

Q. I was very careful, in the questions asked you, only to inquire as to the inability to take the vessel through the canals as far as beam was concerned. I have said nothing as to draft. A. No.

Q. Do I understand you as naval constructor to say that this vessel could not go through the canals on account of its draft. A. Yes.

Q. That is your opinion?—A. Yes.

Q. What is the draft of the vessel?—A. The draft of the vessel, light ship, is 15 feet.

Q. What is the depth of the canals?—A. The depth of water in the canals is 14 feet.

Q. So that there is only one foot or one and a half feet of shortage, is that it?—A. The depth of the vessel in salt water is 15 feet, and in fresh water it is about three inches larger, that will be fifteen feet three inches.

Q. Then when I said fifteen feet six inches I gave you three inches to the good? When you speak of the draught in salt water you are speaking of the vessel with the machinery and full equipment?—A. The machinery and the boilers.



*By Mr. Reid (Grenville.):*

Q. In full running order?—A. No, no.

*By Mr. Northrup:*

Q. With the machinery on board?—A. With the machinery on board but no coal or stores.

Q. What difference would the weight of machinery on board make in the draught?—A. About two feet.

Q. Did you in your experience ever hear of vessels being constructed in Toronto or Collingwood and being taken down through the canals without the machinery, the machinery being shipped on barges from there and then being put in the vessels in Montreal?—A. No.

Q. Would it strike you, as a naval constructor, that there would be any possibility about that?—A. There might be.

Q. How?—A. In the weight of the machinery.

Q. That is to say, the weight of the machinery coming down on barges would load the barges down too much?—A. No, I mean to say that the weight of one of the boilers in the 'Earl Grey' was such that there was no appliance on the St. Lawrence or the Atlantic coast for lifting that boiler and placing it on board.

Q. Would it have been impossible to have provided those appliances?—A. That could have been done at an enormous expense.

Q. Roughly speaking what would have been the cost?

*By Mr. Reid (Grenville.):*

What was the weight of one of those boilers?—A. 80 tons.

*By Mr. Northrup:*

Q. Assuming that the boiler was brought down by barge that could be done, I suppose?—A. I should say so, yes.

Q. And the barge placed alongside the vessel in the Montreal shipyard, what would it have cost to provide the appliances to put that boiler on board that vessel?—A. That is rather a difficult question to answer, because workmen would have to be brought from the lake shipyards to that place, and shear-legs would have had to be erected at Montreal or Quebec for lifting the boilers, and the extra cost—mind you this is only a very, very approximate figure—\$125,000 or \$150,000.

Q. Did you ever hear of an engine being raised by a crane on a railway?—A. Yes.

Q. What would the weight of an engine be?—A. I do not know what the weight of a locomotive is.

Q. It is not impossible then to raise so heavy a weight as an engine?—A. No.

Q. Now then, as a naval constructor, I am only getting your opinion, do I understand you to pledge your oath that it would be impossible, practically, to have had this boat built in Toronto or Collingwood, insofar as the draught is concerned, and then to have taken the hull down through the canals, and the machinery afterwards sent down on barges or by rail, and put in the boat at Montreal?—A. That would not be impossible if the appliances were there to put the machinery and boilers in the vessel.

Q. It would then, practically, have been impossible because it would have cost \$125,000 or \$150,000?—A. Yes.

Q. How was this boiler put aboard in the old country where the vessel was built?—A. They have a crane there with a lifting capacity of about 150 tons.

Q. It depends upon the crane they have?—A. Yes.

Q. So that if a crane could have been provided in Montreal with a lifting capacity of 150 tons, they could have overcome the difficulty?—A. Yes.

Q. And the whole difficulty was the lack of a crane of 150 tons capacity for lifting the boiler?—A. Yes.



Q. And after you advertised for tenders the Polson firm of Toronto wrote protesting on account of the beam which prevented them tendering?—A. Yes

Q. I think they did not protest against the draught at all did they?

*By Mr. Currie (Simcoe):*

Q. In estimating the draught there do you make the estimate with the boilers full of water to the working level?—A. That is with water in the boiler.

Q. With water in the boiler. What would it be without the water?—A. Five inches lighter.

Q. How much would it be without the engines?—A. Without the engines?

Q. Yes?—A. 12 inches.

Q. Then the weight of the boilers alone would account for one foot—that is the empty boilers?—A. About eight inches.

Q. How do you account for the other four inches?—A. The shafting of the propeller.

Q. You told us without the boilers the draught would be reduced two feet?—A. No, I said without the whole thing it would be two feet.

Q. Without the engines and boilers?—A. Without the whole thing.

*By Mr. Northrup:*

Q. Here is a letter that came from the Collingwood Shipbuilding Company, to Colonel Gourdeau, Deputy Minister of Marine and Fisheries, dated the 7th of March, 1908—

DEAR SIR.—

We are in receipt of your letter of March 6 in reply to ours of the 3rd inst., regarding plans and specifications for ice-breaking steamer, and beg to thank you for the plans and specifications which you have forwarded to us.

We are somewhat dissatisfied that you have not received the print of the midship section of this steamer, as it would give at once the details of the form of the hull and scantlings required. If you have a print of the midship section, will you kindly mail it to us without delay, otherwise, it will be necessary for us to pick out from the specifications the details of the construction and make up a drawing of the midship section to our views, which perhaps, would not be so your satisfaction and this would cause great delay before we could submit a plan of midship section to you that would be satisfactory to your ideas.

We would also like to suggest to you the narrowing of the moulded breadth of the boat from 46 feet to 44 feet, as we believe this would make a much more efficient ship for strictly ice-breaking purposes, and would not in any way interfere with the details of your cabin or deck requirements.

Thanking you for an early reply, we beg to remain,

Yours very truly,

Collingwood Shipbuilding Co., Limited,

James N. Smith, Manager.

Do you remember from that that the full plans had not been sent to them? That is what would appear from that letter, would it not?—A. It is not always customary to submit with the design of construction all the details of the construction,—that is the scantlings, and other particulars are provided in the specifications.

Q. They point out that they would have to patch up a plan of their own which might not be to your satisfaction?—A. They would have to submit that of course to the department.

Q. And that would give the department grounds for refusing to accept their tender because it was satisfactory?—A. Oh, no.

Q. If a certain portion of the plan is not shown to the prospective tenderer, and if the tenderer has to devise that particular part of the plan for himself, would not the department have the right to reject his tender because his particular revised part did not satisfy the department, even if everything else were satisfactory?—A. If the Collingwood Shipbuilding Company were not satisfied that they could submit a section which would be suitable it shows at once that they were inexperienced in designing craft of this description.

Q. I would repeat the question. I say that if the plans submitted to the prospective tenderer omit to give the midship section so that the prospective tenderer has to devise those plans himself, would it not be possible for the department to refuse this tender because parts of the plan devised by the tenderer were satisfactory, even if everything else were satisfactory?—A. Oh, no.

Q. It is quite an advantage for the department in selecting the tenders?—A. The Department would not have refused a favorable tender from the Collingwood Shipbuilding Company had they submitted their own plan for the midship section because if the suggestion was not satisfactory that suggestion could have been modified to suit our views.

Q. Well, let us take that then. Am I to understand that when tenders are sent in the department considers itself at liberty to negotiate with some of the tenderers as to modification of their tenders?—A. Oh, no. They do not negotiate. They do not open negotiations with tenderers.

Q. Well, your last answer would lead to the conclusion that you thought they had a right to?—A. Provided their tender was accepted.

Q. Exactly, but we are still at the original point that the department possesses the power of rejecting a tender that otherwise is perfectly satisfactory and that if a shipbuilder wanted to become a tenderer he could not in regard to the part of the plan he was not furnished with, hope to please the department?—A. But he was not asked to submit a midship section with the tender.

Q. But the tenderer required it apparently?—A. No, he did not require it.

Q. Well, he says so in one case. Of course I am not an expert in regard to these matters. Now there was a letter written by the Polson people of Toronto complaining that owing to the width of beam they would be unable to tender. Is not that the fact?—A. I could not say, I do not remember.

Q. Here is the letter to which I refer from the Polson Iron Works of Toronto. (Reads):

TORONTO, CANADA, February 24, 1908.

*Polson Iron Works, Ltd.*

Col. F. GORDEAU,

Deputy Minister of Marine and Fisheries,  
Ottawa, Ont.

DEAR SIR,—

Yours of the 19th inst., enclosing plans and specifications for proposed ice-breaking mail and passenger steamer for your department at hand, for which we have to thank you. We see on going over the plans that they call for a boat a few feet too long to go through the canals, and a foot too wide; also that the specifications have been made out calling for all English made goods. We see no reason why this steamer would not be equally as suitable for this service if she were made within the dimensions of the St. Lawrence canals. We do not think it is fair to Canadian builders to be prohibited from tendering on a job of this sort by such a narrow margin. Would it be worth our while putting in a tender for a boat of a size that will go through the canals?

Yours truly,

POLSON IRON WORKS, LTD..

(Sgd.) J. B. MILLER,  
President.

Now, that seems a reasonable inquiry. I have looked through the files but I cannot find any reply to that letter. Would you kindly make a memo and, (if you can, look up the answer?—A. What is the date?

Q. It is a letter dated 24th February from the Polson Iron Works to Colonel Gordeau. As a matter of memory do you recollect anything about that complaint from the Polson Iron works?—A. No, I cannot say that I recollect it.

Q. As a matter of memory do you recall whether there was any consideration given to the question as to whether Canadian shipbuilding firms could be allowed to tender?—A. No. I think the plans and specifications as formed were taken as the accepted plans for this vessel and it was understood that they would be adhered to.

Q. Now we will take the proceedings in the old country after having eliminated all Canadian competition. You drew up your Canadian advertisement on the 19th February but you had previously done something towards advertising in the old country hadn't you?—A. Yes.

Q. Have you anything there to show the date when you wrote it?—A. It is on file there. That is what I pointed out.

*Hon. Mr. Brodeur:*

Here is the answer to the letter of the Polson Iron Works (handing file to Mr. Northrup).

*By Mr. Northrup:*

Q. You need not bother now about looking up the reply to the Polson Iron Works. The reply sent was dated 26th February and is as follows. (Reads):

February 26, 1908.

GENTLEMEN,—

I have to acknowledge receipt of your favour of the 24th instant, relative to the proposed ice-breaker for Prince Edward Island, and have to state in reply that very serious consideration has been given to the dimensions embodied in the plans and specifications forwarded to you for prices, and no alteration can, in my opinion, be made to them.

I am, Gentlemen,

Your obedient servant,

(Sgd.) F. GOURDEAU,

*Deputy Minister Marine and Fisheries.*

Messrs. The Polson Iron Works, Ltd.,

Toronto.

Now I find a letter dated 5th of February, 1908, from the department to Lord Strathcona. (Reads):

February 8, 1908.

MY LORD,—

I am forwarding by this mail copies of the plans and specifications for the proposed ice-breaking mail and passenger steamer for Prince Edward Island, addressed to you.

It is my intention to ask for tenders for this steamer through the medium of the English press, and as you have already taken a deep interest in this matter, I have requested in the notification to English shipbuilders that application be made to you for copies of these plans and specifications. I have therefore to request that your Lordship will kindly give orders to have these particulars forwarded to the different applicants in the usual manner; also that in the circular note that you will enclose to the different firms, you will please bring before their notice——



Firstly:—That delivery of the vessel is to be given at Charlottetown, Prince Edward Island.

Secondly:—That they are to state in their tender the estimated speed of the vessel in a three hours' run, and

Thirdly:—That tenders ought to reach Ottawa by the 9th of March, endorsed 'Ice-Breaker' and addressed to The Honourable the Minister of Marine and Fisheries, Ottawa, Canada.

Thanking you in anticipation, I have the honour to be, my Lord,

Yours very truly,

P.S.—Kindly note that one copy only should be supplied to each applicant. Should there be more applications than specifications covered for, preference should be given to leading shipbuilders.

Q. That is on the 8th of February, and then on the 11th of February there is this cable from the department, signed 'Brodeur' to Lord Strathcona.—

Plans and specifications ice-breaker mailed you yesterday. Please insert immediately four times the following notice for tenders in 'Standard', 'Canada' and 'Canadian Gazette). Begins tender for Ice-Breaking Mail and Passenger Steamer for the Canadian Government. Tenders for the construction of the above steamer are invited by the Honourable L. P. Brodeur, Minister of Marine and Fisheries, Ottawa, Ontario. Shipbuilders desiring to tender will be supplied with copies of plans and specifications on application to The Right Honourable Lord Strathcona and Mount Royal, High Commissioner for Canada, 17 Fictoria Street, London. Application to reach the High Commissioner by the nineteenth instant, endorsed 'Application for Ice-breaker,' and tenders to be mailed in sealed envelopes endorsed, 'Ice-breaker' and addressed to the Honourable the Minister of Marine and Fisheries, Ottawa, Canada, and to reach Ottawa not later than the ninth March. The Minister of Marine and Fisheries does not bind himself to accept the lowest or any tender. Tenders to be accompanied by an accepted bank cheque equal to ten per cent of the whole amount of tender which will be forfeited if the person tendering declines to enter into a contract with the department. The deposit of the successful tenderer will be returned on the final acceptance of the vessel at Charlottetown, P.E.I. Cheques accompanying tenders which are not accepted will be returned immediately contract is awarded.

F. GOURDEAU,

*Deputy Minister of Marine and Fisheries.*

That, I take it, is the cable to Lord Strathcona for him to advertise in the London newspapers?—A. Yes, that is so.

Q. And the plans and specifications are only mailed to him under the letter dated 8th February, but in this cable of the 11th February it says,—'Plans and specification ice-breaker mailed you yesterday,' so apparently, from the cable, the plans and specifications were not mailed until 10th February. Now these instructions to Lord Strathcona were only to insert the advertisement in the 'Standard,' 'Canada' and the 'Canadian Gazette.' Then I find a cablegram from Lord Strathcona dated February the 12th, to Mr. Brodeur at Ottawa,—

Your cable eleventh afraid make unfavourable impression if advertisement given only to 'Standard,' 'Canada' and 'Canadian Gazette.' Would suggest insertion also in 'Times' and 'Scotsman' and one or two other daily papers thus giving increased publicity.

And on the 13th of February is the reply from Mr. Brodeur to Lord Strathcona,—

Insert advertisement, 'Times,' 'Scotsman,' and 'Glasgow Herald' as suggested.



That is tosay the dpartment when they got ready for business cabled over to Lord Strathcona for him to put the advertisement in only three papers, that is correct is it?—A. That is correct.

Q. And when Lord Strathcona cabled back protesting they told him he could put it in the other papers as well?

Hon. Mr. BRODEUR: Not protesting.

Mr. NORTHRUP: Your cable eleventh afraid make unfavorable impression if advertisement given only to 'Standard,' 'Canada' and 'Canadian Gazette.' Would suggest—

Hon. Mr. BRODEUR.—A suggestion.

Mr. NORTHRUP.—The first part is a protest, the second, a suggestion. They speak for themselves. Now, when did Lord Strathcona get these documents? I find a cable here from Lord Strathcona dated at London on February 20, addressed to Hon. Mr. Brodeur:—

Plans and specifications received and distributed to-day have few applications from foreign builders shall I comply? Cable.

I omitted to read the cable from Lord Strathcona on the 19th February, also addressed to Mr. Brodeur:—

Your cable eleventh advertisement inserted and numerous applications received, but unfortunately unable as yet to furnish particulars specified in advertisement as documents mentioned your message not yet received.

So, on the 19th of February he had not the documents and cabled to that effect, and on the 20th he cables that the plans and specifications were received and distributed that day. So that it was not until the 20th of February that the plans and specifications were received in England by Lord Strathcona who distributed them to the various ship-builders and tenderers, and the tenders had to be here in Ottawa on the 9th of March; is that correct?—A. Correct.

Q. Does that strike you as a business transaction?—A. Quite.

Q. Is that the way business is generally done in the Department now?—A. I mean that the time allowed for tendering in that country was ample for that ship.

Q. And you consider—I am not discussing the matter, I just want your oath on it—that when Lord Strathcona only received the plans and specifications on the 20th of February, he had distributed them to the people who had to draw up their estimates and send in their tenders, those estimates to be in Ottawa on the 9th of March, you consider that sufficient time?—A. I consider that ample time for that boat, from my own knowledge.

Q. And, if it turned out that the shipbuilders protested that they hadn't time you would differ from them?—A. I would differ.

Q. That they were either lazy, incompetent, or something of that kind?—A. I should say that there was a rush of work in their estimating department.

Q. So, where anybody was lucky enough to get a hint in advance—I see here a letter of February 20th, from Vickers Sons & Maxim, addressed to 'His Excellency the Deputy Minister of Marine and Fisheries':—

YOUR EXCELLENCY,—

We beg to acknowledge the receipt on this date (20th Feb'y, 1908) of your esteemed letter of the 8th instant, inclosing plans and specifications for a proposed ice-breaking mail and passenger steamer for the Canadian Government, and requesting us to submit to the Hon. the Minister of Marine & Fisheries, a schedule of prices.

We much appreciate your action and will immediately look into the question

with a hope that we shall be able to forward an offer to reach Ottawa by the 9th March, endorsed as desired.

We have the honour to be,  
Your Excellency's obedient servants,

VICKERS SONS & MAXIM, LIMITED,

(Signed) JAMES DUNN,

Director.

Q. Who, on the 8th of February sent the lucky tenderers, Vickers Sons & Maxim, the plans and specifications? I have looked through the file here, Mr. Duguid, and cannot find a copy of any letter from the Department to Vickers Sons & Maxim on that date? Will you kindly make a memo. and see if you can find out? A. What letter is that?

Q. This letter referred to in the reply of Vickers Sons & Maxim, who acknowledge on the 20th of February that they had received a letter from the Department dated the 8th of February sending them plans and specifications and asking for a tender?—A. Yes.

Q. Well, now we have got so far that Lord Strathcona was instructed to advertise. Do you know, as a matter of fact, that the shipbuilders did request an extension of time?—A. Two firms did.

Q. Do you remember which two?—A. Armstrong and Vickers.

Q. I will not waste time looking for tenders or telegrams that I require. Here is a letter embodying the same thing. It is a letter from Sir W. G. Armstrong, of Whitworth & Co., Ltd., dated February 22, 1908, to Colonel Gourdeau, the then Deputy Minister of Marine and Fisheries. (Reads):—

In further reference to your esteemed inquiry of the 8th instant, and our letter of the 20th instant, we beg to say that on looking into the matter we find that it would be quite impossible for us to make up our tender in less than a fortnight. We, therefore, cabled you to-day as follows:—

Find impossible forward tender for fortnight.

Which we beg to confirm and trust that this delay will not cause you any inconvenience.

Now I also find this telegram from Montreal to Colonel Gourdeau dated 'Montreal, February 25, 1908.' (Reads):—

MONTREAL, QUE., February 25, 1908.

COL. GOURDEAU,

Deputy Minister Marine and Fisheries,  
Ottawa, Ont.

Vickers cable just received. Specification for ice-breaker too late for mail to reach here on time and ask for week's extension.

Will you grant it? Answer.

(Signed) LEWIS BROS., Ltd.

On the 26th there is a cable, not from the Vickers people but from Lewis. (Reads):—

LONDON, February 26, 1908.

Honourable BRODEUR,  
Ottawa, Ont.

Vickers require seven days extension for ice-breaker tender to reach Ottawa, owing to amount of work involved in estimates. Please cable necessary authority, Vickers, London.

(Signed) LEWIS.

Then I find on the 26th February, a cable to Vickers, London. (Reads):—

OTTAWA, February 26, 1908.

Week's extension granted. Tender ice-breaker as requested.

(Signed) F. GOURDEAU,  
*Deputy Minister.*

Hon. Mr. BRODEUR.—At the foot of the telegram of Lewis Bros., Ltd., of February 25, there is this note. (Reads):—

If that can be done in such a way that all the tenderers may be informed of that extension do it.

L. P. B.

*By Mr. Northrup:*

Q. Was the extension granted to all the tenderers?—A. Yes, to all.

Hon. Mr. BRODEUR.—Yes, cablegrams were sent to all of them.

Mr. NORTHRUP.—On February 26, 1908, this cablegram was sent to Lord Strathcona. (Reads):—

Kindly inform firms tendering ice-breaker that one week's extension has been granted for delivering tenders.

(Signed) GOURDEAU.

*By Mr. Currie:*

Q. Did you ever have the responsibility of asking for tenders for anything like this before?—A. The responsibility of asking for tenders?

Q. Yes. Of fixing the date for tenders, or were you a subordinate? Did you ever have the responsibility of fixing the time before?—A. My own experience in estimating with the Vickers firm led me to believe that the time which the department granted for the acceptance of tenders was ample.

Q. For what department did you estimate?—A. In the Vickers firm.

Q. Yes, but in what department?—A. The estimating department—the estimating and designing.

Q. Did you estimate on the hull?—A. The estimating on the hull and machinery was all done from the one department.

Q. Were you the head of the engineering staff?—A. Oh, no, I was an assistant constructor.

Q. How many assistant constructors were there besides you?—A. Two, and the chief.

Q. That made four?—A. That would make four.

Hon. Mr. BRODEUR.—In this case we had a lot of tenders.

Mr. CURRIE.—What I am asking the witness is if he ever had the responsibility of fixing the time for the acceptance of tenders before. He says he has not, that he was only a subordinate.

The WITNESS.—The shipbuilders could not fix the time.

*By Mr. Currie:*

Q. Let me ask you that question again: Did you ever personally have the responsibility as chief of staff for fixing the time when tenders should be called for?—A. I could not. In a shipbuilding firm you do not fix the time. The time is given to you.

Q. And you never had to do this before?—A. I could not.

*By Mr. Northrup:*

Q. There is another protest from the Mitchell firm to the Minister of Marine at Ottawa from Low Walker (reads):

Finds impossible forward tender for fortnight.

(Sgd.) MITCHELL.



A. That is the same firm as the Armstrongs.

Q. I want to call your attention to this: That the Armstrong firm, which was a big firm, and some other firms cable on the 22nd February that they could not get in their tenders in time, and as far as I can ascertain from the files—perhaps you will look up the files and see if I am wrong—there was no answer sent until the 26th February. On the latter date Mr. Lewis, of Montreal, who was in London, cabled, and that day an answer was sent extending the time. That is correct, is it not?—A. I presume so, if it is there

Q. I have been reading the cables to show that from the 22nd protests had been received, including one from the Armstrong firm, but it was not until the 26th, the day on which Mr. Lewis cabled that the time was extended for a week?

Hon. Mr. BRODEUR.—I do not think that is so. Put the files in. On the 25th a request was made and I gave instructions that it should be done and that all tenderers should be informed.

*By Mr. Northrup:*

Q. Now I have been reading the cables from firms, including the Armstrong firm on the 22nd?—A. From the 22nd to the 25th.

Q. Here is a letter from Lord Strathcona which will perhaps bear out the fact—I cannot put my hands on the cables—to Mr. Brodeur on the 7th of March, 1908:—

DEAR MR. BRODEUR,—

I received this morning your cablegram despatched from Ottawa, yesterday afternoon reading as follows:—

Please insert newspapers time receiving tenders, Ice-breaker extended sixteenth instant,

and now beg to confirm my cablegram in reply of to-day as under:—

Uncertain how to act on your cablegram received to-day requesting insertion newspapers time receiving Tenders Ice-breaker extended till sixteenth as, acting on instructions your cablegram 26th ultimo had already intimated this extension to all firms tendering. Please cable instructions.

As you will have gathered from my letter of the 28th ultimo, immediately on receipt of the cablegram from your department sent me on the 26th idem, I notified each of the firms who are proposing to tender, of the extension which had been granted. Under these circumstances, I was uncertain how to act on your cablegram now under acknowledgment, and I thought it well to seek further instructions in the matter.

In any case the cablegram could not appear in the newspapers before Monday the 9th instant, too late to permit of tenders from this country, by the first subsequent mail, reaching Ottawa by the sixteenth instant.

Believe me, Dear Mr. Brodeur,

Very truly your,

(Signed) STRATHCONA.

Now is not the meaning of that this,—that your department had cabled Lord Strathcona to advertise in the English papers an extension of time to the 16th, which cable was only received by him on the 7th, which, I presume, would be on Saturday, because he says the advertisement could not appear in the newspapers until Monday the 9th, too late to permit of tenders reaching Ottawa by the 16th—

Hon. Mr. BRODEUR.—Is it fair to ask the witness that question; he does not know anything about this correspondence; would it not be better to put these letters on file and let them speak for themselves?

Mr. NORTHROP.—I ask him the question is it not evident that your department—

Hon. Mr. BRODEUR.—He has nothing to do with this.



*By Mr. Northrup:*

Q. I am asking the witness was it not abundantly evident that if Lord Strathcona gets a cable on the 7th to advertise an extension of time, and he writes back that if he did advertise it the people could not get their tenders to Ottawa on the date specified—

*By Hon. Mr. Brodeur:*

Q. Then put in the file, the documents are on the file.—A. I understand, as far as my memory serves me, that each of the ship-building firms tendering were notified—I may be wrong.

Q. Will you look at this file and tell us whether all the prospective tenderers in England were notified by cablegram of the extension of time, and when?—A. Fleming and Ferguson on the 26th, Vickers-Maxim on the 26th.

*By Mr. Reid (Grenville):*

Q. How does the telegram read?—A. (Reads): 'Weeks extension granted tenders ice-breakers as requested.' Dahlstrom of Germany, were also notified, the Fairfield Ship-building company, of Scotland, and there was a cablegram to Dominion (Lord Strathcona) on the 26th: 'Kindly notify firms tendering for ice-breaker one week's time granted for tenders.' The Beardmore company were notified and the Armstrong Whitworth company.

*By Mr. Northrup:*

Q. See if you can find any cablegram to Lord Strathcona on the 7th of March which he refers to in his letter?—A. I cannot find it.

*By Mr. Kyte:*

Q. I want to know, as a matter of fact, if you had anything to do with the extension of time at all?—A. No, I think it was dealt with by the Deputy Minister's office.

Q. You know nothing about it except what you got from the file?—A. Nothing except what I get in the file—my information in connection with the matter.

*By Mr. Currie (Simcoe):*

Q. You do not know any reason why there should be such a rude hurry in this matter?—A. I beg pardon?

Q. Was there any departmental reason for this great hurry in having these tenders asked for?—A. Yes, because they wanted the ship as urgently as possible.

Q. You knew that, though, when you specified the time at which you wanted the ship delivered?—A. We gave them ten months in which to build the ship.

*By Mr. Reid (Grenville):*

Q. Was the tender awarded?—A. I do not remember.

Q. The date of the contract will show that?

*By Mr. Currie:*

Q. Were there any special sections in that specification?—A. Special sections?

Q. Yes. Were they all standard sections in the plates?—A. The plates? Yes, all standard.

Q. No special ones?—A. No, not anything special.

*By Mr. Reid (Grenville):*

Q. Were you in England in June, at the time the cable was sent over asking for an extension of time?—A. No, I was here in June.

Q. Well, in February?—A. No, I was here.

Q. You were here at the time the Armstrong and these other firms asked for an extension of time, you were in Ottawa?—A. Yes.

*By Mr. Northrup:*

Q. It is almost impossible for us who are not conversant with these matters to find what documents we require because the papers are not chronologically arranged on the files. Have you anything there to show what tenders did come in?—A. What tenders came in?

Q. Yes. Who did tender?—A. I will refer to the records. (Examining files).

Q. I would also like to have the specifications so that any member of the Committee could refer to them?—A. I have a copy of the specifications here. You also have one on the file there.

Q. What was given to the proposed tenderers to enable them to tender?—A. A copy of this specification.

Q. There was a plan?—A. A plan.

Q. And a copy of this specification?—A. Yes.

Q. That was what was sent to each tenderer?—A. Yes.

Q. You have a copy of the specifications before you. Will you please see if you can find any requirement there as to the speed of the boat?—A. On page 1 the indicated horse power is specified and in the tenders.

Q. Indicating what?—A. 6,000, and in the invitations to tender the shipbuilders were asked to guarantee the speed that they could give with 6,000 horse power.

Q. Is that in the advertisement?—A. In the advertisement.

*By Mr. Currie:*

Q. How do you estimate the speed as to horse power?—A. How do you estimate it?

Q. You gave them all plans of that ship, did you not?—A. Yes.

Q. You gave them all plans showing the wetted surface or were they to estimate that themselves?—A. They had to estimate that. They calculated the width of the surface.

Q. There is a formula, is there not?—A. Yes.

Q. At 600 horse power you would estimate the wetted surface to produce so much speed?—A. There are various ways of calculating it. We take it from known results.

Q. You have to get the estimated wetted surface of the ship; is that right?—A. Yes.

Q. And you get the estimated horse power of the engines and you get a formula. You could get the formula in three minutes and tell us what the speed will be?—A. No. I could not give it to you.

Q. You have it at the office?—A. No. I have a different way of doing it.

Q. There is a standard way of doing it?—A. You have to calculate the weights, the wave resistance and the slip of the propeller.

Q. If I give you a plan of the ship and say 'I want the ship to go 16 knots' you could tell me in about half an hour what horse power I would have to put in?—A. If you gave me the displacement and a few particulars.

Q. You were figuring kind of backwards?—A. I figure in various ways.

Q. Isn't it customary in figuring out the speed of the ship to provide a plan of the vessel first. After that you say you want 16 knots in that vessel, or 17 or 21 knots as the case may be. Then you can say how much horse power should be put in the ship?—A. You must calculate your weights. You must make out your calculation of the detailed weights. The displacement is necessary before you can estimate the speed.

Q. And what about the wetted surface?—A. No. That is not displacement.

*By Mr. Northrup:*

Q. I have here an extract from a paper which reads as follows: (reads)—

## TENDERS.

Tenders are addressed to the undersigned at Ottawa in sealed envelopes, and marked on the envelope 'Tenders for the construction of an ice-breaking steamer will be received up to the 9th day of March next, for the construction of a steel ice-breaking mail and passenger steamer to be delivered at Charlottetown, P.E.I., of the following leading dimensions, namely:—250 feet long, breadth, 46 feet, depth moulded, 27 feet.' Plans and specifications of this steamer can be obtained at the Department of Marine and Fisheries, Ottawa.

Not a word in that about speed.—A. It is on file somewhere.

Q. It may be on the file somewhere, but I am reading the advertisement.

*By Mr. Reid (Grenville):*

Q. Is it in the specifications?—A. The horse-power is specified, that is all.

Q. But is it specified what speed she is to run?—A. Shipbuilders were asked to guarantee what speed they would give with that horse-power.

*By Mr. Northrup:*

Q. I will read from the original advertisement in the *Times* and *Standard* of London, the *Scotsman*, *Glasgow Herald*, and the *Canadian Gazette*. It is headed, 'Tender for Ice-breaking Mail and Passenger steamer for the Canadian Government.' (Reads):

Tenders for the construction of the above steamer are invited by the Honourable L. P. Brodeur, Minister of Marine and Fisheries, Ottawa, Ontario. Shipbuilders desiring to tender will be supplied with copies of plans and specifications on application to the Right Honourable Lord Strathcona and Mount Royal, High Commissioner for Canada, 17 Victoria Street, London, S.W. Applications to reach the High Commissioner by the 19th instant, endorsed 'Application for Ice-breaker.'

There is nothing there about speed.—A. There is a letter from His Lordship to the firms who asked for plans and specifications. In that letter of his Lordship he stated certain conditions. You will find the speed in that letter.

Q. Well, I do not know anything about that.—A. It is there on the file.

Mr. REID (Grenville).—Take a note of it and bring it at the next sitting of the committee.

*By Mr. Northrup:*

Q. The printed advertisements do not refer to the subject.—A. I think in the covering letter of his Lordship.

Q. And in the specifications there does not appear anything as to speed.—A. Simply the horse-power.

Q. Is that the only reference beyond the first page which says 6,000 horse-power? —A. I beg your pardon, I was taking a note here and so did not hear your question.

*By Hon. Mr. Brodeur:*

Q. Have you before you the specifications, on page 19 of which it is specified, 'Contractors are required to state in tender the estimated speed on a three-hours' run'?—A. Yes, that is right.

Q. And on page 20 they are required to give guarantees?—A. Yes.

*By Mr. Northrup:*

Q. I was going on to read that when interrupted. The specification goes on to say, 'The vessel will also during this trial be run six times over a recognized mile at full power, and the mean speed recorded. Any defects noticeable during this trial to be remedied.' I would like to ask if—you are an expert—when specifications call for

engines during the trial trip to develop horse-power, indicated, of not less than 6,000 working under Howden's system of forced draught—supposing the engine did develop 6,000 horse-power during the trial would that mean 6,000 horse-power during subsequent trips?—A. It would likely be more on subsequent trips.

Q. That is your opinion?—A. That is my opinion.

*By Mr. Reid (Grenville):*

Q. They would not necessarily develop more, if they develop 6,000 horse-power on forced draught, it would not necessarily follow that she would develop more under natural draught?—A. Not under natural draught.

*By Mr. Northrup:*

Q. Is it not a fact that there is a lot of correspondence to the effect that 6,000 indicated horse-power during a test of this kind is not more than some 5,500 at other times?—A. No, one ought to get a better result out of an engine, after running a considerable time, than during the trial trip.

Q. That is your opinion, that if you get 6,000 horse-power during a trial trip, you would get 6,500 or more out of the same engine afterwards?—A. A little more later on.

*By Mr. Currie (Simcoe):*

Q. Supposing something went wrong with your valves, you would not get 2,000 horse-power?—A. Oh, well, that is a different thing.

*By Mr. Northrup:*

Q. You will look it up and see if you can get a copy of the letter of Lord Strathcona's to the tenderers saying that the speed must be more than 17 knots; there was such a letter, is that right?—A. That is right.

Q. Because so far there is nothing in the documents that we have referring to 17 knots?—A. No, it is in the covering letter.

Q. It was not in the specification?—A. Oh, I beg pardon, in the specification it appears—

Q. It does not specify the speed?—A. Not specifying the speed, but asking that the speed be mentioned.

Q. Now, since you have got on that, if the department did not fix the minimum or maximum speed how were the tenderers to decide as to what speed would be the most popular to the department in estimating the tenders?—A. The tenderers would submit to the department the best speed which they would consider they could get out of the vessel after having gone into it and calculated the weights and ascertained the displacement.

Q. And also state the amount the vessel would cost?—A. Also the speed and the lowest efficiency the engine was supposed to give, or perhaps the form of the vessel was not satisfactory.

Q. Then, as I understand it, apart from this letter of Lord Strathcona's, tenderers were left to estimate entirely what the department would prefer in the matter of speed?—A. The tenderers were left to estimate and to state to the department the speed they could expect to get out of that ship.

Q. Then the department was at liberty to take any tender they liked?—A. The most favourable one that gave the best guarantee, according to this clause.

Q. And you were to decide what was the best guarantee?—A. Yes.

*By Mr. Reid (Grenville):*

Q. Were you always of the impression that it was necessary to have a 17-knot steamer?—A. I consider it absolutely necessary on this service.



Q. You considered it necessary for the first time you were asked to make plans for the vessel?—A. I will not say from the first, I do not remember what I estimated on for the first plans. It was not always a question of horse-power.

Q. Did you consult Captain Brown?—A. Some officers were consulted, but I do not remember who they were now.

*By Mr. Northrup:*

Q. What duties would the vessel discharge beside that of ice-breaking?—A. That is for the department to say; I could not say.

Q. You were preparing your plans for the vessel from the standpoint of an ice-breaker?—A. Of an ice-breaker.

Q. What is the necessity of a speed of 17 knots for an ice-breaker?—A. You could not get an ice-breaker to travel 17 knots in ice.

Q. What is the particular advantage in having her go at that speed?—A. After having worked her way through the ice to a certain extent you get in clear water and if you have the speed you can make up part of the time you have lost in passing through the ice.

Q. How much ice would there be for her to pass through?—A. I have seen it half way across.

Q. How long would that be?—A. About twenty miles.

Q. So that there would be twenty miles of ice, and it was only on account of the other twenty miles of open water that you wanted this 17 knots?—A. We wanted a high-speed boat.

Q. It was only for the 20 miles of open water?—A. It is open water all the way sometimes.

Q. You would not want a 17-knot boat for that service; why would not a 15-knot boat have done just as well?—A. One reason that 17 knots were asked for was—in fact 18 knots were asked for by the officers of the department in Prince Edward Island, and those interested in the service also wanted an 18-knot boat.

Q. But from the standpoint of the department what justification was there for paying a great many thousand pounds more for a 17-knot ice-breaker?—A. We must have the power in the ship in the first place for ice-breaking; you must have the power and the weight.

Q. And your specifications called for 6,000 horse-power?—A. Yes.

Q. So I suppose all these tenderers agreed to give you 6,000 horse-power, and their rates of speed ran from 15½ to 17 knots, is that a fact?—A. That is right.

Q. And they all agreed to give 6,000 horse-power?—A. Yes.

Q. Now, let us get to the tenders and see what they were. Have you a copy there, or a summary of the tenders? The first is Messrs. Fleming & Ferguson, Ltd., who made ten per cent deposit, and the total cost was £76,160, with a speed of 15½ to 16 knots. The second was William Hamilton & Company, Ltd.; they made a deposit and the total was £81,700, and the speed 15½ to 16 knots. The Swan, Hunter & Co., Ltd., no deposit, £82,800, and 16 knots speed. The fourth was William Beardmore Company, Ltd., they made a deposit and the cost was £90,570 and the speed was 16 knots.

Q. William Beardmore & Co., Ltd., was one of the firms approved by the Admiralty, was it not?—A. Yes.

Q. And their tender was £90,570, and speed 16 knots. Next, John Reid & Co., who did not put up a deposit, total cost, £95,100, speed, 15½ knots. Next, the Fairfield Shipbuilding Co., Ltd., who put up a deposit, total cost, £97,638, speed 15.6 knots and they were one of those recommended by the Admiralty?—A. Yes.

Q. Next, The London & Glasgow Shipbuilding Co., no deposit, total cost, £98,575, speed 17.2 knots. Then there is the Palmer Shipbuilding and Iron Co., Ltd. No deposit, total cost, £101,100, speed, about 17 knots. Next, Sir W. G. Armstrong, Whitworth, & Co., Ltd., no deposit, total cost, £103,400, speed 16½ knots. The next,

Vickers Sons & Maxim, Ltd. They put up a deposit, total cost, £104,670, speed 17 knots. F. W. Dallstrom (Blohn ? Voss), no deposit, total cost, £117,250, speed, 15½ to 16 knots. The same firm (Joh. C. Tecklenborg) no deposit, total cost, £128,600, speed 17 knots. How many of these firms would be lower than Vickers Sons & Maxim?—A. Eight.

Q. Are there not nine including the Armstrong firm?—A. Well, I am taking the modified not at the bottom of the summary.

Q. On the summary of tenders, as you put it, there are nine below Vickers Sons and Maxim?—A. Nine.

Q. Ranging from £76,000 up to £104,670. Now, I wonder if we could get the correspondence in connection with the Vickers Sons & Maxim contract, because it is quite evident from the face of the summary they were allowed to change their tender. On the bottom of the summary we read: 'The Messrs. Vickers request by cable on the 24th instant to be allowed to correct error in their tender. Their price is now £103,000.' And again, of John Reid & Co., 'price quoted only provides for delivery on Clyde'?—A. Yes, the last quotation applies to another tender.

Q. The 24th referred to is the 24th of what month? It must have been March of course?—A. March.

Q. Will you be good enough to tell me when the tenders were opened? On the 17th I think you will find. Have you anything to show that?—A. I have nothing here.

Q. Oh, here it is. 'The Vickers Sons & Maxim tender opened on the 17th of March, in the presence of the Minister.' On the 17th of March tenders were opened as appears by the entry here. Then on the 24th of March there is a cable from London from our old friend Lewis, which reads as follows (reads):

London 24th March, 1908.

HON. BRODEUR,  
Ottawa.

Would you permit error to be rectified and make Vickers tender read one hundred three thousand pounds, delivered Charlestown, including stones and expeller.

Then I find a memo. for the Deputy Minister in the following terms (reads):

Referring to the cablegram handed me this morning *re* corrected tender from the Vickers firm, I respectfully submit that in view of the other feature of the tender being so favourable, that their request be acceded to.

(Sgd.) CHARLES DUGUID,  
Naval Architect.

Ottawa, 23rd March, 1908.

On this memo. there is a note by the Minister:

Answer that their request will be considered.

L. P. B.

Then there is a cablegram which bears no date, to Lewis, care of Vickers, London. (reads):

Referring cablegram twenty-fourth *re* corrected tender ice-breaker your request will be considered.

You may make a memorandum about this and look into it; on the 24th March Lewis cabled from London asking permission to rectify the figures of the Vickers tender. Then on the 23rd March, apparently, you reported to the Minister about that cable and he answered that the request would be considered. That is apparently before the cable was sent to you you considered and reported on it. Please look up your file in regard to that point?—A. What do you want me to get?

Q. I want you to see where the error lies, that on the 24th March, Lewis asked you to let the Vickers people rectify an error in their tender and on the 23rd of March, referring to his cablegram you reported that the request be acceded to and the Minister agreed.

Witness retired.

Committee adjourned.



EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

STEAMER 'EARL GREY'

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No. 4—MAY 3, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1911





COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

WEDNESDAY, May 3, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the chairman, Mr. Warburton, presiding, and resumed the consideration of a payment of \$155,440.54 to Vickers Sons & Maxim in connection with purchase of the government steamer *Earl Grey*, page O—11, Report of the Auditor General, 1909-10.

Mr. CHARLES DUGUID recalled.

*By Mr. Northrup:*

Q. You were sworn on the last day you were here, Mr. Duguid?—A. Yes.

Q. Looking at page 28 of your evidence given the last day you were here, I find that I asked a question as to the addition of one foot to the beam of the boat on the advice, as you said, of the British Admiralty. I asked if this was done through verbal negotiations, and you replied that it was put in writing, but when I asked for the papers you could not find them, and I asked you to look up the papers and see if there was anything there from the Admiralty?—A. File 19514 there is a letter, 521.

Q. That is your own report, is that the one you mean?—A. Yes.

Q. This is a report of the 20th of September, 1907, from yourself to Lord Strathcona (witness examines file). The report of the 20th of September, 1907, was made by yourself to Lord Strathcona; have you it before you?—A. No, I haven't that.

Q. Well, I might read this, or enough of it to show the nature of the report. It starts out by saying—

My Lord, I have the honour to inclose in duplicate reports on the design and specifications submitted by,

First, Messrs. Sir W. G. Armstrong, Whitworth & Co., Ltd., Newcastle on Tyne, and

Second, Messrs. The Fairfield Shipbuilding and Engineering Co., Limited, Glasgow, N.B.

As the result of careful consideration of these plans and specifications, I have the honour to report that I am now engaged upon final designs and detailed specification for a vessel of the following particulars:—

Then the particulars are given, and among them are the length, B.P. 250 feet, breadth moulded, 45 feet, so that that was your opinion as late as September, 1907?—A. Yes.

Q. What is the meaning of that phrase, reports on the design and specifications submitted by Messrs. Armstrong, Whitworth & Co. and the Fairfield Company?—A. Those were two companies that were asked to submit designs to the High Commissioner for consideration as to what they would consider suitable for the service.

Q. Let me see if I understand you. Did you first draw your plans and then submit them to the firms named?—A. Oh, no, they were asked to submit their designs to the High Commissioner for a vessel suitable for the service. They each submitted a design, and those two designs were discussed by the officers of the department, and as a result of those discussions with the officers I drew up designs according to the dimensions here.

Q. After you had discussed those designs with the officers of the Admiralty?—A. Not with the officers of the Admiralty, but with the officers of the department.

Q. The officers of the Canadian department?—A. Yes.

Q. You drew up your plans and specifications according to this report of the 20th of September, 1907, and then those plans and specifications were subsequently modified, were they?—A. Those plans and specifications were submitted to the Admiralty, after they were finished, for criticism, and this is the criticism of Sir Phillip Watts.

Q. And Sir Phillip Watts wanted the boat increased in length by five feet, to 255, and the beam increased by one foot, from 45 to 46?—A. That is it.

Q. And did you accept both these proposals?—A. Both were not accepted; the increase in length was not accepted, the increase in breadth was.

Q. That is the increase to 46 feet?—A. To 46 feet.

Q. At the time you were increasing that beam in that way did you know it would prevent the vessel going through the locks of our canals?—A. No, I had no idea of the width of the locks in the Canadian canals, until I came here in the spring following, or in January.

Q. Then your plans and specifications that you ultimately adopted were the result of, and were drawn up after, consultations with Captain Brown and other officers of the department, and after perusing the plans sent in by Messrs. Armstrong and Company and the Fairfield Company and the revision and advice of Sir Phillip Watts?—A. That is the case.

Q. And when the plans and specifications were completed you called for tenders. Now just tell me what tenders were received?—A. It is all here somewhere.

Q. I want to be quite sure about all the firms. Will you tell me what tender was put in by the Beardmore firm?—A. £90,570.

Q. That was the tender of the Beardmore firm. I think you told us the other day that the Admiralty had recommended four firms as being competent firms to perform this work?—A. They did so.

Q. Was the Beardmore firm one of those recommended?—A. They were one.

Q. And their tender was?—A. £90,570.

Q. Will you look at their tender and see what defect or objection there would be to accepting it?—A. Certain conditions were asked for of the different firms that tendered: speed, stability, and the usual deposit cheque. With regard to the speed I notice here the estimated speed is 16 knots which was only similar to the speed of the vessels on the service at that time.

Q. Excuse me, take the speed, they only tendered at 16 knots, which was the speed of the vessels then in the service. Can you find anything in the specification or in the advertisement exacting any particular speed?—A. I will look through the specifications, I think there is something. (Examining specifications.) The horse-power only is specified.

Q. Well, did they comply with the horse power?—A. They complied with the horse-power. That was the speed they were prepared to guarantee at 6,000 horse-power.

Q. The point I am trying to get at is—There was nothing in your specifications or advertisement stating exactly what the speed of the boat was to be?—A. No.

Q. So in that respect they failed to comply with what you asked for?—A. If they were giving the 600 horse-power they were complying with the plans and specifications.

Q. What other objection would there be?—A. The stability. They were asked to guarantee a certain stability under certain conditions which are stated on page 20 of the specifications.

*By Hon. Mr. Brodeur:*

Q. Will you quote that please?—A. (Reads):

'The Contractors also to state the metacentric height they are prepared to guarantee under the following conditions:—

Full equipment on board.

Ten tons stores and provisions.

Ten stores fresh water.

Three hundred tons coal in bunkers.

Ten tons passengers, &c., on upper deck.

Seventy tons cargo, &c., on main deck.

Two hundred tons of water ballast in aft peak tanks.

*By Mr. Northrup:*

Q. Did the Beardmore Company fail to comply with that condition?—A. Yes, quite.

Q. They made no attempt to do so but omitted it all together?—A. They omitted it all together.

Q. Was there any other objection to their tender?—A. Yes. I do not think that firm, even with their equipment, had sufficient knowledge of the construction and type of boat that was required in order to give the service which was wanted. They had built no ice-breakers and during the winter of 1905 I was instructed by the late Minister of Marine to proceed to the Beardmore Works and inspect them. The Beardmore firm at that time had been supplied with the preliminary designs of the ice-breaker, and during my visit there they were going into the particulars and discussing them. I discussed those particulars with them and from our discussion I came to the conclusion that the staff there, the officers, had no experience or idea of what was necessary in order to give us a vessel such as we wanted.

Q. Your first objection was that they did not comply with the requirement as to guaranteeing the metacentric height, and second, from your personal observations you did not believe they were a competent firm to carry out the contract?—A. That is so.

Q. And in the latter respect you differed with the officers of the Admiralty?—A. Yes, I differed with them.

Q. Was there any other objection to the Beardmore tender?—A. No, I think these are the three objections.

Q. Now, when you said their tender was £90,570——?—A. Yes.

Q. That was exclusive of the wireless installation? Their price was £88,570, delivered at Charlottetown. Was the wireless installation required of the successful tenderer?—A. Part of it I think was required. The government had to supply the instruments.

Q. Now what about the Armstrong, Whitworth & Company's tender, what was the amount of it?—A. The Armstrong Whitworth & Company's tender was £103,400.

Q. Will you look up their tender please. I believe the sum was made up of different items, was it not?—A. Yes.

Q. What was their tender for the boat constructed and delivered on the Tyne?—A. It was £98,500 delivered on the Tyne.

Q. Then how much extra did they ask for delivery at Charlottetown?—A. The extra cost of delivery at Charlottetown, P.E. Island, during the summer season was £2,500; that, during the winter months, £3,000.

Q. Was there anything in the tenders in case you insisted on the Stone-Lloyd gear for the bunker doors?—A. Their tender says (reads):—

The above tender provides for Stone-Lloyd gear being fitted to all water-tight doors below the main deck, including the bunker doors. If these latter were excluded our price would be reduced by £1,300.

Q. Was the gear excluded or included eventually in the tender that was accepted?—A. The Stone-Lloyd water-tight door was fitted to the ship.

Q. Even down to the doors on the bunkers?—A. Yes. Part of the bunker doors, I think, were fitted with Stone-Lloyd gear.

Q. Part or all?—A. I am not sure about the matter.

Q. Perhaps you can look up the Vickers-Maxim tender and see if they said anything about it?—A. (Reads):—



We have provided for working the four water-tight doors communicating between the engine room and boiler rooms and the tunnel by the Stone-Lloyd system, which system was fitted by us in the troop ship *Dufferin*, constructed for the Indian government, but if it be intended that the doors in the bunkers (ten doors) be worked by this system, the additional cost would be £2,245 (two thousand two hundred and forty-five pounds).

Q. So that the additional cost for this system was £2,245? That is what the Vickers-Maxim people said?—A. Those are the figures given by the Vickers-Maxim firm.

Q. Did you insist upon all those doors?—A. There were not ten doors fitted.

Q. So that if all the doors down to the bunker doors had been fitted with the Stone-Lloyd gear, the Vickers-Maxim tender would have been over £2,000 more?—A. With the ten doors.

Q. And you say the tender of the Armstrong, Whitworth Company, which was £103,400, did include the Stone-Lloyd gear, including all the bunkers?—A. Including the bunker doors.

Q. So that when you come to compare the Armstrong, Whitworth and the Vickers-Maxim tenders, if the former tender had been accepted with only the number of doors fitted with the Stone-Lloyd gear which were required from the Vickers-Maxim people, then the Armstrong, Whitworth tender would have been a good deal lower?—A. That would be £101,500, with all the doors.

Q. The Armstrongs tender would have been £101,500, with all the doors?—A. With all the doors.

The CHAIRMAN.—Without the doors.

*By Mr. Northrup:*

Q. As I understand, the point is this, the Armstrongs tendered to put in all the bunker doors, and their tender was?—A. £103,200.

Q. That included all the bunker doors?—A. Yes.

Q. Then the Vickers people tendered, but they did not include all the bunker doors?—A. They have provided for the working of four bunker doors.

Q. They only provided for four, and you have told me that there were ten?—A. That Armstrong provided for.

Q. So that the Armstrong firm provided for six more than the other tenderer. The Armstrong firm included all those ten doors, and if they were excluded, as I understand it, this tender would be £1,300 less?—A. £1,300 less.

Q. Therefore to compare the tenders you would have to subtract £1,300 from the Armstrong tender, would you not?—A. Yes.

Q. You said the Armstrong tender was £103,400; will you look at the tender and see how he makes it up; £98,500, for delivery on the Tyne, I only find three items, £2,500 additional, for delivery at Charlottetown, if delivered in the summer—A. And if delivered in the winter, £3,000.

Q. Yes, well taking the summer delivery?—A. £2,500.

Q. Yes, and I think you will find if the Stone-Lloyd ash expellers are used instead of See's ash ejectors that would be £2,200. What does that come to?—A. £103,200.

Q. So that the sum total of the Armstrong tender for delivery in Charlottetown in the summer time was only £103,200, and that we have reduced by £1,300 for the Stone-Lloyd gear for the bunker doors, and that figures out at—A. That is £101,900.

Q. That would be the sum total of the Armstrong tender. Now let us see how much the Vickers Sons & Maxim tender amounts to. That I believe too is in a certain number of items. The first is that the boat is to be delivered at Barrow-in-Furness for how much?—A. £99,890.

Q. And how much additional for delivery at Charlottetown?—A. £2,630.

Q. Is there any other item?—A. The Stone ash expeller.

*By Mr. Kyte:*

Q. Did the Armstrongs put up a deposit?—A. No—there is another item; if Stones patent ash expellers be preferred the additional cost would be £2,150.

*By Mr. Northrup:*

Q. The Armstrongs had exactly the same item only they said £2,200. Then there is another item, is there not as to the Stone-Lloyd system for the bunkers?—A. For £2,245.

Q. What did they say in their tender, all the bunkers?—A. (reads) 'We have provided for working the four water-tight doors communicating between the engine room and boiler rooms and the tunnel by the Stone-Lloyd system, which system was fitted by us in the troopship *Dufferin* constructed for the Indian government, but if it be intended that the doors in the bunkers (ten doors) be worked by the system the additional cost would be £2,245.

Q. So that as Vickers-Maxim estimated it, if they had been tendering for as many as the Armstrongs tendered for their tender would have been £2,245 more, because when the list of tenders was made out for the report to the minister this £1,300 is not deducted.—A. To compare those two figures here we will have to deduct it. It is £104,670 for the Vickers. There is another clause here—in order to bring the vessel up to the guarantee which is asked for by the department the Armstrong firm suggested a further increase in the cost of £750 to £1,000, which I added to their tender.

Q. I was coming to that. You had called for a vessel according to your own plans and specifications, am I correct in that?—A. Yes.

Q. And the Vickers people, it is the Vickers people you are speaking of——?—A. No, the Armstrong firm wanted £750 to £1,000 more.

Q. You called for a vessel according to certain plans and specifications, and the Armstrong people tendered for what you had asked for, and their tender was?—A. £101,900.

Q. Is that correct, that was for a vessel according to certain plans and specifications which you had prepared.—A. No, I take another inference from it; I say they tendered according to the plans and specifications, but they failed to come up to the guarantee and they suggested that in certain parts of the vessels there should be an increase in the strength which would cost £750 extra.

Q. To do the work the vessel you ask for would have to do, they say that to make the boat really what you wanted there should be £750 to £1,000 added?—A. They would not give a guarantee without that.

Q. That is because they wanted to make a better boat than you asked for and they said it should be £750 to £1,000 more?

Hon. Mr. BRODEUR.—It was not necessary.

A. If they were not prepared to guarantee that which the department asked for, and it is included at page 20 of the specification, we could not accept their tender, and if they make an increase in the size of the scantlings in the ship and suggest that it could be done at the extra cost of £1,000, that is the price which the department must pay for the vessel, in order to get the guarantee which we required.

Q. You asked for a certain guarantee. You specified your requirements and they were willing to comply with what you asked for for £101,900?—A. No, they were not.

Q. Do you say that they were not in a position to comply with your requirements for £101,900, is that correct?—A. Yes.

Q. Do you say that they were not in a position to comply with the requirements you asked for for £101,900?—A. Certainly not.

Q. If what they asked had been accepted they would have had more than you called for in your plans and specifications?—A. They would have had more by £1,000, they would have increased the structure.

Q. The structure would have been stronger than you called for?—A. Undoubtedly.

Q. Did you take that £1,000 off in comparing the tenders?—A. I put the £1,000 in.

Q. And is that £1,000 included in the £101,900?—A. No.

Q. That would make their tender £102,900, if you add the £1,000?—A. Yes.

Q. And then you would have had a boat that would have been stronger than you asked for?—A. Certainly.

Q. Now then let us take the Vickers tender. You say they said they would deliver the boat at Barrow-in-Furness for £99,890?—A. Yes.

Q. And delivered at Charlottetown, P. E. I., £2,600 more?—A. That is right.

Q. And what other items are there?—A. £2,150 for ash ejectors.

Q. What did you say as to the other, in reference to the Stone-Lloyd system?—

A. That is in reference to the water-tight doors.

Q. As to the bunker doors, they are only tendering for a limited number?—

A. For a limited number.

Q. For four, that was a limited number. Their tender came to what amount?—

A. £104,670.

Q. Now, when that tender came in for £104,670 it came in before the time?—

A. It came in on the 17th March.

Q. Before the time had expired?—A. Yes.

Q. And your advertisement called for a deposit cheque of 10 per cent on the amount of the tender, I believe?—A. Yes.

Q. Vickers, Sons and Maxim sent to the department a deposit cheque of 10 per cent on £104,670?—A. Yes, there was a deposit made.

Q. Of what amount?—A. £9,989.

Q. Did Vickers, Sons & Maxim comply with the advertisement and make a deposit of 10 per cent on the amount of their tender?—A. The 10 per cent deposit would be made, I presume, on the total cost of the ship, not including delivery.

Q. We will figure it out and see if that is the way you made it. The cost of delivery at Charlottetown is only £2,630?—A. Their quotation for the ship delivered at Barrow-in-Furness, built and completed, was £99,890, and their deposit is 10 per cent on that.

Q. And they wanted £2,150 additional for Stone's patent ash expellers, instead of See's ash ejectors? As a matter of fact did you have the Stone expellers?—A. The Stone expellers were fitted.

Q. As a matter of fact, did Vickers, Sons & Maxim send a cheque for 10 per cent on the amount of their tender?—A. According to their tender, yes. The £99,890 did not include the cost of Stone's ash expellers.

Q. And did not include the cost of delivery at Charlottetown?—A. And did not include the cost of delivery.

Q. Although by the tender it was to be delivered in Charlottetown?—A. That is right.

Q. What had delivery at Barrow-in-Furness to do with the cost when you had asked for a boat delivered at Charlottetown at the risk of the tenderer?—A. I do not altogether see why they should pay a deposit on the delivery because they insured the vessel on the passage across themselves.

Q. But you called for tenders for a vessel to be delivered at Charlottetown, did you not?—A. That is right.

Q. You asked tenders for a vessel to be delivered at Charlottetown, and Vickers, Sons & Maxim mentioned the amount at which they would make delivery at Charlottetown? Did they send a deposit of 10 per cent on the amount of the tender?—A. Not covering the delivery at Charlottetown.

Q. And not, I gather, for the Stone ash expellers?—A. Simply in accordance with their first tender.



Q. They did not?—A. No.

Q. That was the state then, of the Vickers-Maxim tender when it was opened on the 17th March?—A. Yes.

Q. After the tenders were given were there any communications between Vickers, Sons & Maxim and the department?—

Hon. Mr. BRODEUR.—Before you go further would it not be advisable to put in those tenders?

Mr. NORTHRUP.—I have no objection.

Hon. Mr. BRODEUR.—There are the Beardmore, Armstrong and Whitworth, and Vickers tenders.

Mr. NORTHRUP.—They are the only three I have gone into. There were four but I do not remember the name of the other tenderer.

The WITNESS.—The Fairfield tender.

Hon. Mr. BRODEUR.—Those that have been discussed.

*By Mr. Northrup.*

Q. The Vickers, Sons & Maxim tender would be the one of March 6?—A. Yes, the London date.

Messrs. Vickers, Sons & Maxim, Limited.

(a) Cost. . . . . £104,670.

(b) Speed. . . . . 17 knots guaranteed.

(c) Stability. . . . . 2' 6", not less.

(d) 10 per cent deposit. . . . . cheque received with tender.

#### REMARKS.

The speed named is satisfactory, being one knot in excess of the vessels at present on service. The stability estimated is ample. The tenderers guarantee to construct a vessel which will meet the requirements of the service as detailed in the specification in every way.

The Messrs. Vickers have a large experience in the designing and construction of this special class of work. No sub-letting of contracts is necessary as this firm construct both hull and machinery. The quality of work turned out is to the Admiralty standard and as the firm have only one shipyard this standard is guaranteed in all work obtained. This tender, with the high speed guaranteed, and the fact that all conditions have been met as required, is respectfully recommended for serious consideration.

The Messrs. Vickers promise delivery in ten months from date of order.

Messrs. Vickers request by cable on the 24th inst. to be allowed to correct error in their tender. Their price is now £103,000.

MESSRS. SIR W. G. ARMSTRONG, WHITWORTH & Co., Ltd.

(a) Cost. . . . . £103,400.

(b) Speed. . . . . 16½ knots.

(c) Stability. . . . . 3' 0".

(d) 10 per cent deposit. . . . . No deposit made.

#### REMARKS.

The speed named by Messrs. Armstrong is satisfactory, being ½ knot in excess of the vessels at present on service, and the stability guaranteed is ample. The above cost covers for an extra £1,000, which this firm suggests should be added for extra stiffness in order that the guarantee asked for on page 20 of the hull specification be met. No deposit as required accompanies the tender in this case.



The Messrs. Armstrong have a large experience in this particular work, and are thoroughly conversant with the special features of this class of vessel. It will be observed that the tender comes from the 'Walker' shipyard of this firm and not from the 'Elswich' works, where the Admiralty and all other high-classed work is constructed. This difference in quality of work was pointed out by Captain Brown in a previous report to the department, after a visit to their works, and is worthy of a serious consideration in discussing the tender. As the Messrs. Armstrong do not construct propelling machinery, the objection to sub-letting this important part of the work applies to this firm as well as others mentioned.

The Messrs. Armstrong promised delivery in ten months from approval of plan and model, not from signing of contract.

#### MESSRS. WM. BEARDMORE & Co.

(a) Cost.. . . .	£9,570.
(b) Speed.. . . .	16 knots.
(c) Stability.. . . .	none given.
(d) 10 per cent deposit.. . . .	cheque received with tender.

#### REMARKS.

The speed estimated by this firm is considered insufficient, being only similar to that of the *Minto* at present on service. The important item of stability has been omitted from the tender.

The Messrs. Beardmore construct both hull and machinery, consequently no sub-letting of contracts will be necessary. The firm is of good standing and their works are well equipped, but in the designing and construction of ice-breakers the firm have no experience.

#### MESSRS. THE FAIRFIELD SHIPBUILDING CO., LTD.,

(a) Cost.. . . .	£90,570
(b) Speed.. . . .	15.6 knots.
(c) Stability.. . . .	4' 0 .
(d) 10 per cent deposit.. . . .	cheque received with tender.

The above speed is altogether insufficient, being considerably less than the vessels at present on the service. The statement of stability is quite satisfactory and ample for the requirements of the winter service.

In discussing this tender consideration should be given to the speed named in conjunction with the price quoted in comparison with other firms tendering.

The works are well equipped and this firm are the builders of the C.G.S. *Stanley*.

#### By Mr. Northrup:

Q. Was there any communication between the Vickers, Sons & Maxim firm and the government between the opening of the tenders on the 17th March and the making of the contract? Will you look and see if there is a telegram of the 24th March?—A. 24th March, a cablegram.

Q. Will you read that cablegram?—A. (Reads):—

Hon. BRODEUR, Ottawa.

Would you permit error to be rectified and make Vickers tender read one hundred three thousand pounds delivered Charlottetown including Stones ash expeller.

Q. And that is signed?—A. That is signed 'Lewis.'

Q. And is addressed?—A. To Hon. Brodeur, Ottawa.

Q. Looking at the file, can you tell what reply was given to that?—A. (Reads):—

Lewis c/o Vickers, London.

Referring cablegram twenty-fourth *re* corrected tender ice-breaker, your request will be considered.

BRODEUR.

Q. Then there is a report from yourself to the minister?—A. Yes, a memo. for the deputy minister. (Reads):—

Referring to the cablegram handed me this morning *re* corrected tender from the Vickers firm, I respectfully submit that in view of the other features of the tender being so favourable that their request be acceded to.

CHARLES DUGUID,  
*Naval Architect.*

Q. Was there any answer?—A. The answer was that their request would be considered.

Q. Will you see if there is any further telegram?—A. No, I cannot find anything.

Q. As a matter of fact was their suggestion considered and their tender lowered?—A. It must have been, yes.

Q. The abstract of tenders that you laid before the minister shows the figures of the tender as being lowered?—A. The abstract placed before the department shows the Vickers-Maxim tender as £104,670, with a footnote: 'The Messrs. Vickers request by cable on 24th inst. to be allowed to correct error in their tender. Their price is now £103,000.'

Q. So that on the 24th of March, or subsequently, the Vickers firm were allowed to reduce their tender to £103,000?—A. Yes.

Hon. Mr. BRODEUR.—You say they were allowed to reduce their tender, they were not allowed to reduce it.

Mr. NORTHRUP.—Yes, their tender was £104,670, and they were allowed to reduce it to £103,000.

Hon. Mr. BRODEUR.—We said we would consider the matter.

*By Mr. Northrup:*

Q. As a matter of fact they were allowed to reduce their tender?—A. Their accepted price for the ship, as constructed, was £103,000.

Q. And the completed tender of the Armstrong firm was how much?—A. According to the schedule, £103,400.

Q. Is that right, have you figured it out? I make it £103,200. Is £103,400 right, do you think?

*By Mr. Carvell:*

Q. You are figuring for delivery during the winter time?—A. Yes, that is where the £200 comes in. You see the vessel was contracted for in March, and ten months from that would throw it into the winter when the insurance rates were higher.

*By Mr. Northrup:*

Q. So that at the time the tenders were accepted the Armstrong tender was a lower tender than the Vickers, if the Vickers had not been allowed to reduce their tender?—A. Slightly lower.

Q. And it is also a fact, is it not, that the Vickers firm did not send in a cheque for 10 per cent of the whole amount of their tender for the delivery of the boat, as required, at Charlottetown?—A. Not on the amount for delivery at Charlottetown, but on the cost of the boat as constructed.

*By Mr. Kyte:*

Q. And the Armstrong people sent in no deposit at all?—A. No deposit.

*By Mr. Northrup:*

Q. Was there any report by you on the Armstrong tender as to whether it should or should not be accepted?—A. Yes, there is a report here on the Armstrong tender. (Reads):

The speed named by the Messrs. Armstrong is satisfactory being half a knot in excess of the vessels at present on service, and the stability guaranteed is ample. The above cost covers for an extra £1,000 which this firm suggest should be added for extra stiffening in order that the guarantee asked for on page 20 of the hull's specification be met. No deposit as required accompanies the tender in this case.

The Messrs. Armstrong have a large experience in this particular work, and are thoroughly conversant with the special features of this class of vessel. It will be observed that the tender comes from the 'Walker' shipyard of this firm and not from the Elswitch works, where Admiralty and all other high class work is constructed. This difference in quality of work was pointed out by Captain Brown in a previous report to the department, after a visit to their works and is worthy of serious consideration in discussing the tender. As the Messrs. Armstrong do not construct propelling machinery the objection to sub-letting this important part of the work applies to this firm as well as others mentioned.

The Messrs. Armstrong promise delivery in ten months from approval of plans and model, not from signing of contract.

Q. Then apparently your only objection to them was two-fold. First they did not send a deposit; secondly that the work was to be done, you thought, at one of their yards which was not as good as the other yard?—A. Which was not as good as the other, and delivery was to be made in ten months from the approval of the plan and model, not from signing of contract.

*By Mr. Kyte:*

Q. And they do not manufacture the machinery themselves?—A. They do not build machinery, no.

*By Mr. Northrup:*

Q. And on that report the Vickers tender was accepted?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. What was the speed in the Armstrong tender?—A. 16½ knots.

Q. And the speed of the Vickers-Maxim tender?—A. 17 knots. Of course in connection with the question of deposit I was bound by the rules and regulations existing here, no deposit being made the tender was not in order.

*By Mr. Northrup:*

Q. Then you refused to consider the Armstrong tender partly because they did not comply with your advertisement and send in a cheque for 10 per cent of their contract?—A. I understood that the tender could not be considered at all, owing to the absence of a deposit cheque.

Q. Did you consider whether or not the Vickers firm had sent in a cheque for 10 per cent of their tender?—A. I considered their deposit was satisfactory as it was 10 per cent of the total cost of the ship.

Q. Was there anything in your advertisement or specification about 10 per cent of the total cost of the ship as built?—A. There was something about it in the advertisement.

Q. Let us get the exact words, it is in the advertisement and not in the specification. I will read from the advertisement:

Tenders to be accompanied by an accepted bank cheque equal to ten per cent of the whole amount of the tender which will be forfeited if the person tendering declines to enter into a contract with the department.

And the whole amount of the tender accepted was £103,000, was it not?—A. £103,000.

Q. And that firm did not send in a marked cheque for ten per cent of the whole amount of their tender?—A. Well, I think——

Q. Did they or did they not?—A. Not for delivery.

Q. We have nothing to do with delivery, this advertisement says ten per cent of the whole amount of their tender.

*By Mr. Kyte:*

Q. What would the difference be, Mr. Duguid?—A. About £3,000.

*By Mr. Northrup:*

Q. That is the difference in the price, it would be 10 per cent of that.

*By Mr. Kyte:*

Q. I was asking what the difference in the cheque would be, the deposit required was 10 per cent of the amount of the tender?—A. The difference in the deposit would be £300.

*By Mr. Northrup:*

Q. Do you know anything about the Armstrong firm, whether they are a very strong firm or not?—A. Oh, yes, they are.

Q. One of the largest firms in the old country, are they not?—A. Oh, quite reliable.

Q. So you had no fears about their ability to carry out their contract if their tender were accepted?—A. Personally not.

Q. Was there anything in the letter from them objecting to put up a cheque if required to do so. I think there is a letter saying that they would if required?—A. The Messrs. Armstrong in a postscript at the end of their letter say: 'We presume in our case a deposit is unnecessary.'

Q. That is a postscript to the letter giving their tender?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. What did they say?—A. In a postscript at the end of their tender they say: 'We presume that in our case a deposit is unnecessary.'

*By Mr. Northrup:*

Q. Can you find anything from the department stating that it would be unnecessary?—A. I am certain there is nothing on file saying that.

*By Mr. Carvell:*

Q. Before you leave that branch of the case I want to ask one question. I understand you to say that the Armstrong, Whitworth tender provided for a ship of 16½ knots, and that of the Vickers, Sons & Maxim for one of 17 knots?—A. Yes.



Q. What would be the cost of producing the two vessels?—A. (After making a calculation.) It would mean an increase—raising the speed from 16½ knots to 17 knots would mean an increase of about between six and seven hundred in the indicated horse-power, and taking that at about £8 per ton, it would give you roughly about £5,000.

*By Mr. Northrup:*

Q. £5,000 would be the cost of increasing the speed one-half knot. Now let us see if we cannot find something about that here. In your specification was there any provision made as to a reduction according to the speed?—A. At page 19.

Q. While you had not any speed required, was there not a reduction of £500 for the one-half knot or something of that sort?—A. I am not aware of anything at all of that kind.

Q. I thought I had read it somewhere in these papers but I cannot find it now, I will have to look it up afterwards. Now, to take a little history. I find a memorandum by Mr. McElhinney, Nautica Adviser, dated April 1, 1903?—A. Yes.

Q. He recommends a vessel at a probable cost of \$250,000. Was that after both the *Stanley* and the *Lady Grey* had been built, or was that before the construction of the *Lady Grey*?—A. The *Lady Grey*.

Q. Before the *Lady Grey* was built?—A. Yes. You are referring to the *Lady Grey* and not the *Earl Grey*?

Q. I am referring to the *Lady Grey*?—A. Yes, that was before.

Q. So this first memorandum would not have anything to do with the *Earl Grey*?—A. It was in connection with that service.

Q. But it had nothing to do with this?—A. Oh, no.

Hon. Mr. BRODEUR.—That is a different vessel altogether.

Mr. NORTHROP.—A different vessel I understand.

*By Mr. Northrup:*

Q. I find a report here dated November 6, 1905, by you, I think, Mr. Duguid?—A. Yes.

Q. Is that your first report on this proposed ice-breaker?—A. Yes, that would be my first report.

Mr. NORTHROP.—Then we had better put that in.

*Report on Proposed Ice-breaking Passenger and Freight-carrying Steamer for Service between Prince Edward Island and the Mainland.*

OTTAWA, November 6, 1905.

To Honourable RAYMOND PRÉFONTAINE,

Minister of Marine.

SIR,—I beg to submit the following report, as the result of my consultation with the captain and engineer of the steamers *Stanley* and *Minto* and personal inspection of these vessels and the charts of the Northumberland straits. Also, as the result of a conference between the captain and engineer of the *Montcalm* and myself regarding their experiences in ice-working.

After due consideration as to the difficulties of the winter service in the Northumberland straits, and the necessity for a larger and more powerful boat through the ever-increasing traffic, I beg to recommend that a vessel of about the following dimensions, specially designed and strongly constructed, due regard being paid to the great strains experienced and the high power developed, will be the means of providing a suitable service between Prince Edward Island and the Nova Scotian ports:—

Length B.P. . . . .	250 ft.
Breadth mld. . . . .	42 "
Depth. . . . .	26 "
Draft mean about. . . . .	18 " 3 in.
Displacement, about. . . . .	3,250 tons.
Speed in knots. . . . .	15 to 16.
I.H.P. . . . .	5,000 to 5,500.

The vessel will be built and equipped in accordance with the most modern and up-to-date practice, the hull being specially shaped to resist crushing by ice. Special facilities will be provided for the loading and unloading of cargo, for coaling and for transferring large bodies of water from forward to after peak tanks in short space of time and vice versa. Accommodation will be provided for a complement of sixty-five men and staterooms capable of accommodating fifty passengers will be arranged for. Suitable space for the proper storage of mails will also be provided. The hull will be built of steel, generally, the plating and transverse framing of those parts subjected to strains and stresses whilst working through ice being increased considerably over Lloyds requirements. The engines will be of the twin screw triple expansion type strongly constructed, all the working parts being in excess of Lloyds requirements in order to meet the demands of the service. The boilers will be of the water tube type with all latest improvements and capable of developing the above mention indicated horse-power.

On the above draft and displacement the vessel will carry a dead weight of about seven hundred tons, comprising five hundred tons coal and two hundred tons cargo and stores, whilst tanks of suitable capacity are provided for putting vessel down to her winter trim.

An approximate estimate for a vessel of the foregoing particulars exclusive of that portion usually supplied by the purchasers would be about \$350,000.

The proposal emanating from the Charlottetown Board of Trade of June 30, 1905, and supported by others, that the new vessel be designed for car-carrying purposes is one which does not recommend itself for the service in the Northumberland straits. The distance on the recognized winter route is fifty miles, consequently the navigation of such a vessel in severe winter weather would be a question presenting immense difficulties where manoeuvring forms such an important point in the design.

The representations of the various maritime board of trades from time to time and those merchants largely interested in the industries of Prince Edward Island, for a larger and more powerful ice-breaker than either the *Stanley* or *Minto* in order to cope with an ever increasing traffic, are fully met with in the vessel of increased capacity and power described. The aforementioned ships, *Stanley* and *Minto*, have an indicated horse-power respectively of 2,000 and 3,000. It is proposed to provide the new vessel with boilers capable of developing an I. H. P. of about 5,500. With this increase of power and weight the draft of the vessel in relation to the depth of the water on the recognized winter route, 'Georgetown to Pictou,' becomes a question of much importance. From the latest service charts the depth of water on Pictou bar is 19 feet, and as the proposed vessel in her winter trim will draw about 21 feet 6 inches aft, dredging operations on an extensive scale will thus be necessary at this point in order to give the required depth of water. As circumstances exist at present the *Stanley* and *Minto* in their winter trim require on crossing the bar to discharge their water ballast in order to clear the channel bottom; such an operation necessitates loss of valuable time, and involves a certain amount of danger in ice working, all of which ought to be avoided. The dredging operations mentioned must necessarily cease on the appearance of ice, and the bottom being of a sandy nature the possibility arises, owing to the set of tide and strong northeast winds, of the channel way refilling, thus preventing a problem of grave importance to navigators.

The position and the formation of the harbour in relation to the northeast gales referred to is well known and wholly accounts for the great barrier which forms here in very severe weather. It will thus be seen that the question of investigating some new route and one presenting fewer difficulties to navigators will require to be undertaken by an naval commission at an early date.

Several alternatives have been mentioned to me in my investigations, and one, the Charlottetown, Brulé route, seems to me to merit investigation and a fair trial. A straight run of 20 miles through a deep channelway and a current of only  $\frac{1}{2}$  knot, seems to be a highly suitable course for a larger and more powerful vessel.

Finally, as the ice conditions in the Northumberland Straits are unusually severe, the claims of the service and the interest of the department demand that this vessel be tendered for only by builders of the highest repute, that no sub-letting of contracts be allowed, except auxiliaries, and that the accepted shipbuilder build and complete the vessel at their own works, to the entire satisfaction of the department's representative.

Respectfully submitted,

(Sgd.) CHARLES DUGUID,  
Naval Designer.

By Mr. Northrup:

Q. At the time you made this report you had consulted about the vessel with the captain and engineer of the *Stanley* and the *Minto*?—A. Yes.

Q. And you then advised the construction of a vessel 250 feet in length and 42 feet in breadth, midships?—A. Yes.

Q. And the horse-power from 5,000 to 5,500?—A. Yes.

By Mr. Kyte:

Q. Had you visited the ground when you made that report?—A. Yes, I had been down there.

By Mr. Northrup:

Q. Then I find a letter here addressed to Hon. Mr. Brodeur, dated March 22, 1906, from J. S. Smith of the Vickers-Maxim Company:—

DEAR SIR,—We beg to state when the late Honourable Raymond Préfontaine, Minister of Marine and Fisheries for Canada, visited London, we had several interviews with him regarding certain marine questions, and amongst other things he placed in our hands an inquiry for an ice-breaker 250 feet long, for service between Prince Edward Island and the mainland.

Were it not for the unfortunate circumstance of the late minister's death in Paris, we should have placed before him in due course our tender for this ice-breaker; but in view of the regrettable facts, we thing it perhaps right to state to you that we have the specification and the drawing of the ship all ready, and will be very glad to place them in your hands along with the tender, on receipt of your valued instructions.

If this steamer is placed, immediate delivery can be made before the close of navigation, 1906.

MR. BRODEUR.—Just on that point perhaps I had better put in the reply to that letter now. The following answer was sent on March 26, addressed to Messrs. Vickers, Sons and Maxim, 32 Victoria street, London, S.W.:—

GENTLEMEN,—I am desired by the Minister of Marine and Fisheries to acknowledge the receipt of your letter, dated March 22, with reference to the construction of an ice-breaker for service between Prince Edward Island and the mainland.



In reply, I beg to inform you, that it is not the intention of the department to purchase any more boats this year, other than the one for which your tender was accepted, as advised in my cablegram to you of the 13th instant, and in my letter of the following day to Mr. F. O. Lewis, your agent at Montreal. This vessel will also be utilized, when required, in the Strait of Newfoundland.

In these circumstances it will not be necessary at present for you to submit the specification and drawing of the ice-breaker which you prepared in connection with the inquiry made by the late Mr. Préfontaine when in England last December.

That letter is signed by F. Gourdeau, Deputy Minister. I notice in that letter there is a reference to another boat for which their tender had been accepted. What boat was that?—A. The *Lady Grey*.

By Mr. Northrup:

Q. Then there is a letter at page 302 of the file, dated June 4, 1905, to Mr. Brodeur, saying—

I was glad to have your letter of the 2nd of June this morning, and the contents are very carefully noted, and in reply, I am sending you under separate cover the specifications and blue prints for the ice-breaking steamer for use on the Prince Edward Island service.

You will perceive we have gone into this very extensively, and you will also note the draught of the boat is such as will obviate the dredging referred to in your letter, and I trust on looking into it you may still be able to place this order.

I will be ready to go up and confer with you any time on the subject. In the meantime, I remain,

Yours very truly,

F. O. LEWIS.

On the side is written: 'Payments for steamer can be made to suit.' Now I do not see any letter here from the minister to which this would be an answer, but I do find on the 12th of June, at page 303 of the file, a letter as follows:—

MY DEAR MR. LEWIS,—I have to thank you very much for sending me specification and blue prints for the ice-breaking steamer for use on the Prince Edward Island service. I notice that you have gone into this matter extensively, and that the draught of the boat is such as will obviate the dredging referred to in my letter to you. I shall be happy to confer with you on this matter as soon as I have an opportunity. Believe me,

Yours faithfully,

(Sgd.) L. P. BRODEUR.

Hon. Mr. BRODEUR.—That refers to the *Lady Grey*, I suppose, Mr. Duguid?

Mr. NORTHROP.—In June, 1906.

A. In June, 1906, the *Lady Grey* was being constructed, she was then under construction.

Mr. NORTHROP.—If that has reference to the *Lady Grey* I do not desire to bring it in at all, if it has nothing to do with the subject we are now considering. When was the *Lady Grey* built?

Mr. G. J. DESBARATS.—About four or five years ago.

By Mr. Northrup.

Q. Had you anything to do with the building of the *Lady Grey*?—A. Yes.



Q. Can you say from that lettre whether or not it refers to the *Lady Grey* or the *Earl Grey*?—A. This letter here refers to dredging at Pictou Bar. In order to get a deeper draught of water I made a recommendation in one of my reports that dredging should be done. That report has evidently been referred to the Department of Public Works, that has distinctly reference to that dredging work.

Mr. NORTHROP.—Have you the exact date of the building of the *Lady Grey*, Mr. Desbarats.

Mr. DESBARATS.—No, I have not got that information here. It should be got easily enough.

Hon. Mr. BRODEUR.—Was the *Lady Grey* built before the *Earl Grey*?

Mr. DESBARATS.—Yes. She was built before I left Sorel, and the *Earl Grey* was contracted for after I reached Ottawa.

Mr. NORTHROP.—In the spring of 1908 she was contracted for.

Mr. DESBARATS.—Then the *Lady Grey* must have been built two years before.

Mr. NORTHROP.—I do not see any object in filling up the record with letters and finding out afterwards that they do not refer to this boat.

Mr. DESBARATS.—There was talk of an ice breaker at that time.

*By Hon. Mr. Brodeur:*

Q. Was it after that, that you sent some plans?—A. After the *Lady Grey* was contracted for.

Q. Mr. Northrup was referring to some plans.—A. I do not know which plans they refer to because I was in England at the time.

*By Mr. Northrup:*

Q. There is a report from you, written at Barrow-in-Furniss, England, in August, 1906, to Mr. Gourdeau, the then Deputy Minister. (Reads).

## MARINE AND FISHERIES, CANADA.

### NAVAL CONSTRUCTION WORKS,

BARROW-IN-FURNISS, August 16, 1906.

Colonel F. GOURDEAU,  
Deputy Minister of Marine and Fisheries,  
Ottawa, Canada.

Design for winter service Mail and Passenger Steamer for Prince Edward Island.

SIR,—I respectfully beg to submit for your consideration the following proposal regarding the design and specification for above vessel, drawn up and compiled by me during the latter months of 1905. As overseer for the department upon the construction of the *Lady Grey* certain details have been brought under notice, which, in my opinion would be to the material advantage of the Prince Edward Island boat if embodied in the specification. These details in construction and fittings are the result of careful consideration and experiment here and represent points on which it is desirable that the builders should be more strictly bound, and I respectfully suggest, in the interests of the department, that I may be allowed to make these alterations and additions in the said specification in order that the suggested improvements may be worked into this design. I presume it will be your intention that I should report myself to you in Ottawa after completion of the *Lady Grey* as I shall have, amongst others matters, some general reports to place before you. If so, then the above mentioned additions to the specification may be made under your supervision at the offices

of the department there before tenders are finally asked for this vessel. I make the above suggestions in the full interests of the department, as I should greatly like to embody in these specification improvements which have suggested themselves to me during the construction of the *Lady Grey*.

Trusting the above will receive your favourable consideration, and to have a reply at your earliest convenience.

I have the honour to be, Sir,  
Your obedient servant,

(Sgd.) CHAS. DUGUID.

Q. That was subsequent to the construction of the *Lady Grey*?—A. That was towards the completion of the *Lady Grey* in 1907.

Q. The reference to a winter mail and passenger steamer was respecting the *Earl Grey*?—A. Yes.

Q. That is to say your correspondence in 1906 referred to the——?—A. The *Earl Grey*.

Q. The *Lady Grey* had apparently been completed before that because you had been compiling plans for the new boat in the fall of 1905?—A. Yes, that is right.

Q. You had begun to prepare your plans and specifications for the *Earl Grey* in the fall of 1905?—A. That is right.

*By the Hon. Mr. Brodeur:*

Q. You must, however, have received the *Earl Grey* in 1907, so far as I remember?—A. The *Lady Grey* was delivered in October, 1906, the end of October.

Q. When was the contract given for the *Earl Grey*?—A. In March, 1906.

*By Mr. Northrup:*

Q. Then there is a letter from F. O. Lewis, dated October 30, 1906, to the Hon. L. P. Brodeur. (Reads):

14 BLEURY ST.,  
MONTREAL, 13th October, 1906.

Hon. L. P. BRODEUR,  
Ottawa.

DEAR MR. BRODEUR,—I inclose you letter dated October 1, received from Messrs. Vickers, Sons & Maxim, respecting the ice-breaker for Prince Edward Island.

You will note this furnishes the information which was short in the specification, and also shows that the boat is available with present conditions without dredging for use at Pictou.

I should be glad if this might be all added to the fyle, and I am ready at any time to take the matter up with you.

I remain,

Yours very truly,

(Sgd.) F. O. LEWIS,  
Canadian Representative.

Q. Would that be the *Earl Grey* or the *Lady Grey*?—A. It distinctly states an ice-breaker for Prince Edward Island.

Mr. NORTHROP.—So that would be the *Earl Grey*.

Hon. Mr. BRODEUR.—What date was that?

Mr. NORTHROP.—October 13, 1906.

*By Mr. Northrup:*

Q. Now I find a letter here from the Collingwood Shipbuilding Company, dated October 9, 1907, to Hon. Mr. Brodeur, Minister of Marine and Fisheries, Ottawa. (Reads):—

DEAR SIR.—I notice in to-day's *Globe*, on page 5, that you contemplate ordering a powerful ice-breaker for service between Prince Edward Island and the mainland.

I trust when you require tenders for this work that you will not overlook our firm. I think we are justified in pressing ourselves for your notice in this regard, with the statement, that I think we can build a better ice crusher here in Collingwood than you can secure from Great Britain.

I will be pleased to call on you if you desire to meet me with a view of talking over this matter.

In closing I wish to state, that we have the most complete shipyard on the great lakes, and we are capable of building the heaviest class of ships or machinery, and we hope that we may be able to interest you.

Yours very truly,

COLLINGWOOD SHIPBUILDING CO., LTD.

P.S.—The writer has had considerable personal experience in building and operating some of the large ice-breaking steamers on the lakes, and would be pleased to talk over points that might interest you.

Was that letter called to your attention at all?—A. I was in England at that time.

*By Mr. Kyte:*

Q. Mr. Duguid, you visited Prince Edward Island for the purpose of examining into conditions there?—A. Yes.

Q. How long did you remain?—A. I think during my first visit I spent about a week there conferring with the captains and the officers—

Q. In what year was that?—A. And conferring with the different board of trade officials and the agent of the department.

Q. What year was that?—A. 1905, at the close of 1905.

Q. That was at the beginning of the negotiations for the construction of an ice-breaker?—A. Yes.

Q. I suppose you crossed frequently over to Prince Edward Island?—A. I had one or two crossings.

Q. With whom did you confer there?—A. I conferred with Captain Brown, Captain Finlayson, Mr. Ferguson and Mr. Lord.

Q. Who is Captain Brown?—A. He is captain of the *Stanley* and Captain Finlayson is captain of the *Minto*.

Q. How long has Captain Brown been in charge of the steamers crossing there?—A. I understand Captain Brown has been in charge of the ice-breaking work for fifteen years, perhaps longer.

Q. You are aware that great dissatisfaction existed among the people of Prince Edward Island on account of the deficiency of the steamer service?—A. Yes, very great dissatisfaction.

Q. What can you say as regards ice conditions there in the winter time so far as you have been informed?—A. Generally speaking, I consider the ice conditions down there very bad, more especially when the wind sets from the northeast, and drives it down the straits on the Pictou bar; conditions then become practically insurmountable on account of the ice, therefore it would require a vessel of great power and good form in order to surmount the difficulties.

Q. Do you think the conditions there were such as to necessitate the very best class of ice-breaker?—A. I considered, in debating the question, that the problem was such a difficult one to myself, that the best help I could get in connection with the construction of this boat ought to be utilized by this department in order to get an efficient ship. Second-class firms I considered should be eliminated altogether and only first-class builders should be considered.

Q. What were the requirements, besides being an ice-breaker, for this boat?—A. Well, she was built primarily for the ice service, the winter service, and for carrying passengers, freight and passengers.

Q. In view of the conditions and the class of boat required, do you say, speaking from your experience, that a boat built on the lakes and without the engines transferred to Montreal, the engines to be put in her there, would be calculated to be as effective for the purpose as a boat built in the old country?—A. No, I do not think so, not taking into consideration the difficulty of the service, I do not think it would be as efficient to have a boat built and put together in the manner you have described. It would be better to have the boat built and completed on the spot; it would make a better ship. If the boat had been constructed on the great lakes and towed down there a great part of the machinery and boilers would have to be left loose, and if that boat, going to the Atlantic coast, met with severe weather, the probabilities are that the vessel would be subjected to severe strains to the structure, and the facilities for repairing her and for putting in the machinery and completing the work on the Atlantic coast are so poor and inefficient that I could not under any consideration at all recommend to the department that the boat should be partly constructed on the great lakes and completed on the Atlantic coast.

Q. You are aware of no shipbuilding plants on the Great Lakes available to build ice-breakers for use on the Atlantic?—A. None that I am aware of.

Q. Or for use in the Northumberland Straits?—A. No.

Q. Apart from the power required in this ice-breaker, I suppose the question of speed entered into your consideration with regard to the efficacy of the service?—A. Speed was a very important factor in the consideration; the officers down there wanted it, and personally I think if we could get a boat of high speed and good form for the service there would be no objection in having speed, provided it would not interfere with the form of the vessel as an ice-breaker.

Q. Other things being equal it was an advantage to the service to have increased speed?—A. Certainly.

*By Hon. Mr. Brodeur:*

Q. Was it recommended or asked for by the local authorities?—A. They wanted a boat of 18 knots, but a speed of 18 knots for a three or a six hour run with a vessel 250 feet long, and between 40 and 50 feet beam is rather a hard problem, so I suggested reducing it to 17 knots as a simpler problem and they agreed to do that.

*By Mr. Kyte:*

Q. And the highest speed guaranteed was that offered by the Vickers-Maxim firm?—A. No, that was not the highest speed, there was one offered 17.2.

Q. I mean the highest speed fulfilling all the requirements?—A. Yes, fulfilling all the requirements, that was the case.

*By Hon. Mr. Brodeur:*

Q. The tender which offered that 17.2 is the London & Glasgow Shipbuilding Company which made no deposit with their tender, is it not?—A. That is right.

*By Mr. Kyte:*

Q. In addition to the requirements respecting speed what do you say as to stability?—A. It is essential in an ice-breaker to have a very large range of stability for



this reason, in meeting heavy ice the vessel rises on the ice and becomes partly ice borne and partly water borne. The water borne portion of the ship is naturally very much smaller than the normal water line of the vessel when fully water borne; so that in order to provide against that loss in what is known as the moment of inertia of the water line the beam of the vessel has to be sufficient to give a very large range of stability; three feet to four feet metacentric height in the matter is quite customary in vessels of this description.

Q. And stability means safety?—A. Yes, safety of life.

Q. So you aimed at getting the largest amount of stability with the greatest speed in the construction of this boat?—A. Yes.

Q. Do you know anything about the steamer *Simcoe*?—A. About the *Simcoe*?

Q. Yes.—A. Yes.

Q. Where is she employed?—A. On the Great Lakes.

Q. By whom was she built?—A. By Swan, Hunter & Co.

Q. Do you know anything about the *Montcalm*?—A. She is employed on the River St. Lawrence ice-breaking.

Q. By whom was she built?—A. By Fleming & Ferguson.

Q. And the *Lady Grey* was built by what firm?—A. By the Vickers firm.

*By Mr. Carvell:*

Q. She is not an ice-breaker, is she?—A. Yes.

*By Mr. Kyte:*

Q. I suppose the operations of these ice-breakers under favourable conditions means a very considerable expenditure on account of repairs, the cost of which depends upon the construction of the boat, of course, more or less?—A. It depends very largely upon the construction of the ship.

Q. How long has the *Earl Grey* been employed on that service?—A. Two winters.

Q. And how did that vessel stand the wear of the work?—A. The service two winters ago was very light and absolutely no money had to be expended in repairs to the ship, nothing.

Q. No money has been expended on repairs since she was purchased?—A. No money has been expended on the *Earl Grey* since her purchase for repair of damages caused by the ice work, none has been expended up to the present day.

Q. What do you say with respect to the *Montcalm*, so far as expenditure for repairs is concerned?—A. The *Montcalm* was in the service on the St. Lawrence before I joined the department but in looking over the reports of the Auditor General I find that the total cost to the department for about two years had been something like \$50,000 due to general weakness in the structure, and additional stiffening has had to be put into the ship. This work had to be done in order—the additional stiffening had to be put into the ship in order to protect her and make her efficient as an ice-breaker for the power which she develops.

Q. By whom was she built?—A. By Fleming & Ferguson.

Q. They were one of the firms that tendered for the construction of the *Earl Grey*?—A. Yes.

Q. Can you say anything as to the ice conditions in the Straits of Northumberland during the past winter?—A. I have not had the opportunity of going down there.

Q. You have no personal knowledge, but have you general information?—A. I have heard from general information that the ice conditions this year have been the worst within the last forty years.

Q. What kind of service has the *Earl Grey* performed?—A. So far as I have heard, satisfactory to every one.

*By Hon. Mr. Brodeur:*

Q. Have you seen the reports in the department that the other vessel employed in winter navigation in the Straits of Northumberland, the *Minto*, was caught in the ice when the *Earl Grey* passed through?—A. Yes, I saw that. There is one point I would like to mention, if I may, in connection with the *Montcalm*. That is a comparison between the amount of expenditure, a large amount, on that vessel and on the *Lady Grey*.

*By Mr. Kyte:*

Q. I was going to refer to that. The *Lady Grey* has been working now for three or four seasons in the ice, and I personally inspected her last May in the dry dock at Quebec. I found everything inside to be absolutely fair and true. There was no deterioration whatever, and the amount of money which has been expended by the department—due to making good slackness in the riveting which always happens in ice work in ice vessels—the amount of money expended by the department has amounted to \$400 or \$500 as compared with about \$50,000, which has been expended on the *Montcalm* in the winter season's working.

*By Hon. Mr. Brodeur:*

Q. And the *Montcalm* had been doing the same work on the St. Lawrence?—A. Absolutely.

*By Mr. Kyte:*

Q. Beardmore's tender, I observe, only guaranteed a speed of 16 knots?—A. Yes, 16.

Q. What is the difference in cost as between a boat guaranteeing 16 knots and one guaranteeing 17 knots?—A. I gave you an estimate I think, previously of a difference in cost for the half knot.

Q. Yes.—A. You can for an approximation double that—approximately, about \$10,000 from \$8,000 to \$10,000. But there are so many questions involved, when you deal with extra speed that that can only be taken as an approximation.

Q. Yes.—A. They were asked to guarantee the horse-power and they might suggest a lengthening of the ship in place of an increase of the horse-power, and by lengthening a ship, of course, it gives better entrance forward and she is a better driven boat. Consequently, if you put sufficient on to the length of her you might get the speed which we want with a slightly less horse-power.

Q. But the vessel would not be so effective as an ice-breaker?—A. Not so effective as an ice-breaker unless you increased the beam in order to get the curvature and the water lines.

*By Hon. Mr. Brodeur:*

Q. So that is the reason, I suppose, why you did not put the speed in your specifications, but left that to the builders?—A. To the tenderers, to express what would be the speed they would develop with the power which they were undertaking to carry.

*By Mr. Kyte:*

Q. The first modifications with respect to the proposed plan for an ice-breaker were suggested by Captain Brown?—A. Yes.

Q. With what view?—A. With a view to providing what Capt. Brown considered a better system of loading and coaling. The coaling facilities at Pictou, I understand, are very indifferent, and at Charlottetown also. Consequently Capt. Brown on going over the plans suggested certain modifications with a view to having quicker coaling and saving in labour. His suggestions seemed so reasonable that I could see absolutely no reason why the plans should not be modified to meet them. Consequently the beam was increased, due to those suggestions of Capt. Brown. The beam was increased in order that the vessel might have sufficient stability due to the alterations.

Q. Well, that modification improved the practical usefulness, as it were, of the boat?—A. Yes.

Q. For which Capt. Brown had the very best authority to speak?—A. The very best, having had a great number of years experience.

Q. Would you compare the tender of the Wm. Beardmore Co., Ltd., with that of Vickers, Sons & Maxim as respects stability?—A. The tender of the Beardmore Co. gave no stability at all. The Vickers gave two feet six.

*By Mr. Northrup:*

Q. What did Armstrong & Whitworth give?—A. Three feet, I think. Yes, Armstrong three feet and Vickers two feet six, not less.

*By Mr. Kyte:*

Q. And as regards speed, what did Armstrong & Whitworth guarantee?—A. Sixteen and one-half knots.

Q. So then if you were to add the cost of the additional knots to bring their tender up to the speed of the Vickers, Sons & Maxim tender, the additional cost would be how much?—A. The additional cost due to the addition of half a knot to the Armstrong tender would be, as I said, approximately £5,000.

Q. So then the Armstrong & Whitworth tender to be equal to the Vickers, Sons & Maxim guarantee as regards would have amounted to £107,000?—A. About that.

*By Hon. Mr. Brodeur:*

Q. It would be about £107,900?—A. That is right.

*By Mr. Kyte:*

Q. Compared with £103,000, which was the amount of Vickers, Sons & Maxim's tender?—A. Yes.

Hon. Mr. BRODEUR.—Or £104,670 before the tender was amended.

Mr. KYTE.—Yes, before the tender was amended.

*By Mr. Crosby:*

Q. The tender was amended after the tenders were opened?—A. Yes.

Q. Speaking of the speed of the ship, have you got any record of the average speed she has been making since she has been in service?—A. In service?

Q. Yes?—A. No. I have no record of that, because it is very difficult taking the record of a ship in ice.

Q. Never mind, I want to ask you a few questions, and will not worry you with any calling for information difficult to get?—A. I can give you the date of the trial trips.

Q. I am not speaking of the trial trips, but of the work for which this ship is employed?—A. Yes.

Q. Have you anything in regard to the average speed that she makes a day in her trips from Nova Scotia to Prince Edward Island and back?—A. No.

Q. Do you keep a copy of the log?—A. I beg your pardon?

Q. Does the department keep a copy of the log book of the ship?—A. I could not say. That is not in my branch.

Q. Who could give us that information?—A. Commander Thompson could give you that. He deals with the government steamers.

Mr. CROSBY.—I would think it would be very desirable to get a copy of the log book of this ship.

The CHAIRMAN.—Commander Thompson is in the city. You could get him here if you wanted him.

Mr. CROSBY.—A copy of the log book is all we require.

Q. Let me ask how many ships have been built since you have been the marine architect?—A. The *Lady Grey*, the *Simcoe*, and the *Earl Grey*; the *Estevan*, which is being built now at Colingwood, the *Bellechasse*, which is being built at Kingston, and there is one which is now being constructed by the department, the *Delorme*, for the St. Lawrence.



Q. But ships completed and running, how many have been built for the department?—A. Three.

Q. What ships are those?—A. The *Lady Grey*, first, the *Simcoe*, second, the *Earl Grey*, third.

Q. Where were they built?—A. The *Lady Grey* was built by Vickers at Barrow, the *Simcoe* by Swan, Hunter & Co. at Newcastle, and the *Earl Grey* was built by Vickers.

Q. How much money was spent on the *Earl Grey* after she was handed over to the department for the service?—A. Do you refer to the mishap which took place on the vessel's voyage over?

Q. Well, I presume this vessel was to be delivered to you on this side without any cost to the department?—A. Oh, yes.

Q. Well then, certainly the department would not have to pay anything in reference to the trouble she had in coming across the Atlantic?—A. That is right.

Q. I am asking from the time she was delivered by the Vickers people to the department how much money have you spent on her down to the present time?—A. I could not give you any figures for that.

Q. Do you know if there has been any expenditure?—A. Oh yes.

Q. How much?—A. I understand that last winter in going from Pictou to Halifax to be docked for painting the vessel ran into some broken wreckage, or something, and lost one or two of the propeller blades, I do not know how many, it may have been two or three, and these have been replaced since then, of course.

Q. Well, what I want to know is from the time the ship was handed over by the builders how much money has been spent in preparation for going into her work and for repairs?—A. I have absolutely no idea, that is not in my branch.

Q. After she was constructed she passed into the other branch of the department?—A. She is under other officers.

*By Hon. Mr. Brodeur:*

Q. Just one question on the point raised by Mr. Crosby. You told us that you had reported on the trial of the ship. What was the report?—A. What particular part do you want?

Q. I want the report on the speed test?—A. The full power run on the measured mile at Skelmrolie gives 17.09; for the six runs on the measured mile the mean of the first two runs was 17.5, the mean of the second two runs was 18.0 and the mean on the third pair was 17.95, and against the speeds in the first two runs the horse-power was 6,690, in the second pair, 7,758, and in the final two runs, 7,325 horses. The mean indicated horse-power was 7,198 as against an indicated horse-power on the six hours full power trial of 6,780, or approximately an increase of 780 over the 6,000 asked for in the specification.

*By Mr. Northrup.*

Q. To close that up as far as I am concerned I will read from the contract of the Vickers-Maxim people this clause:—

'The said vessel to be capable of steaming at a speed of 17 knots in open water, should the vessel fail to reach this speed the builders shall pay to the minister a sum of £250 sterling for each  $\frac{1}{2}$  knot under the 17 knots, and should the vessel not attain a speed of  $16\frac{1}{2}$  knots the minister shall have the option of rejecting the said vessel.'

So that the builders can bring her down to  $16\frac{1}{2}$  knots on a penalty of £500?—A. Yes.

Q. But if they had provided a boat with  $16\frac{1}{2}$  knots speed the vessel would not have been as effective for the purposes required as one with 17 knots?—A. No.

Witness retired.

Committee adjourned.





# EVIDENCE

TAKEN BY THE

## PUBLIC ACCOUNTS COMMITTEE

RESPECTING

# STEAMER 'EARL GREY'

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No. 5—MAY 10, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1911



# MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,  
HOUSE OF COMMONS,  
WEDNESDAY, May 10, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the chairman, Mr. Warburton, presiding, and resumed consideration of a payment of \$155,440.54 to Vickers, Sons & Maxim in connection with purchase of the *Earl Grey*, page O—11, Report of the Auditor General, 1909-10.

Mr. CHARLES DUGUID recalled.

*By Mr. Kyte:*

Q. I just wish to call your attention to the fact that on pages 69 and 70 of the printed copy of the evidence there are two palpable errors. On page 69, in reply to a question which I put to you as to the difference in cost of obtaining additional knot in speed of the ice-breaker, you say that it would be double the estimate you have given for a half knot increase in speed, 'approximately, about \$10,000, from \$8,000 to \$10,000.' That is as it appears in the printed report, but it should be '£10,000, from £8,000 to £10,000.' Is that correct?—A. Yes, it should be '£' instead of '\$.'

*By Mr. Reid (Grenville):*

Q. Does Mr. Duguid mean to state by that that the increase of speed from 16 to 17 knots would mean an extra cost equal in dollars to practically \$50,000; is that right?—A. That is right, yes.

Q. That is counting five dollars to the £ roughly?—A. Yes.

*By the Chairman:*

Q. That should be pounds instead of dollars?—A. Yes.

*By Mr. Kyte:*

Q. On page 70 the question as it appears in the printed copy reads as follows:—

Q. So then the Armstrong & Whitworth tender to be equal to the Vickers, Sons & Maxim guarantee as regards would have amounted to £107,000?

Obviously the word 'speed' was omitted after the word 'regards' in that question?—A. Yes.

Q. Turning to page 71 of the printed evidence, Mr. Duguid, the last question asked you by Mr. Northrup was:—

Q. To close that up as far as I am concerned I will read from the contract of the Vickers-Maxim people this clause:—

The said vessel to be capable of steaming at a speed of 17 knots in open water, should the vessel fail to reach this speed the builders shall pay to the minister the sum of £250 sterling for each  $\frac{1}{4}$  knot under the 17 knots, and should the vessel not attain a speed of  $16\frac{1}{2}$  knots the minister shall have the option of rejecting the said vessel.

So that the builders can bring her down to  $16\frac{1}{2}$  knots on a penalty of £500?—A. Yes.

Will you turn up the contract and see what other conditions there are which will enable the minister to reject the tender?—A. Previous to the clause regarding the penalties for loss in speed there is another clause here:—



The vessel to undergo a six hours' trial, during which the machinery must develop a collective indicative horse-power of not less than 6,000. The minister will have the option of rejecting the vessel should the horse-power specified not be obtained.

That is, the minister had power to totally reject the vessel should the 6,000 horse-power specified not be delivered on the six hours' trial.

Q. Will you turn up the file and see if there is a report there from Mr. Desbarats on the tenders for the construction of the ice-breaker?—A. On pages 1 and 2 of the tender file—

Q. Is the report from Mr. Desbarats?—A. The report from Mr. Desbarats.

Mr. KYTE.—I want that report to be put in.

(Report placed on the record as follows:)

*Memo. re tenders for ice-breaking steamer for Prince Edward Island.*

Twelve tenders were submitted at prices varying from £76,160 to £128,600. The six lowest tenders offer boats with a speed of not over 16 knots per hour. These boats would be slower than the boats now on this service. The new boat should have a speed of about 17 knots per hour. The six lowest tenders are therefore not satisfactory.

The other six tenders offer boats with speeds of from 16 to 17.2 knots per hour. The lowest of these tenders, the London & Glasgow Shipbuilding Co., £98,575, is incomplete, having omitted some articles, and is informal, not having made the necessary deposit. The next three tenders are as follows:—

The Palmer Shipbuilding and Iron Co., £101,000; speed about 17 knots.

Messrs. Vickers, Sons & Maxim, Ltd., £103,000; speed 17 knots.

Sir W. G. Armstrong, Whitworth & Co., £103,400; speed 16½ knots.

Mr. Duguid states that the Palmer Shipbuilding and Iron Co., although a good shipbuilding firm, has had no experience in the construction of ice-breakers. Their tender is informal, as no deposit has been made; this tender should therefore not be considered.

The next tender is that of the Vickers, Sons & Maxim at £103,000. This firm has had wide experience in the building of ice-breakers, and have a first-class reputation as ship and engine builders. They guarantee a speed of 17 knots to the vessel which they offer. They have made the necessary deposit, so that their tender is quite in order.

The next tender is that of the Sir W. G. Armstrong, Whitworth & Co., at £103,400. The speed estimated by them is 16½ knots, and their tender is informal as no deposit was forwarded.

The two highest tenders are from F. W. Dahlstrom at £117,250 and £128,600 for vessels of German construction.

As the tender submitted by Messrs. Vickers, Sons & Maxim is the most satisfactory and is perfectly in order, I concur in Mr. Duguid's recommendation, and recommend that the contract be given to this firm at £103,000.

(Sgd.) G. J. DESBARATS.

April 22, 1908.

*By Mr. Northrup:*

Q. Referring to that last matter that you were speaking of, was there anything in the advertisement or the specification authorizing the minister to reject the vessel on account of its speed not being up to a certain figure?—A. Anything in the letters?

Q. Anything in the advertisement calling for tenders, or in the specification, that would entitle the minister to reject the vessel if it did not attain any particular speed?—A. I think in the covering letter which Lord Strathcona sent to the various tenderers there was a clause inserted stating the penalties.

Q. Where is that letter?—A. That is on the file.

(File handed to Mr. Northrup.)

Q. This is the letter that you refer to, is it?—A. Yes, that is the letter in which Lord Stratheona mentions having informed the tenderers of the penalties.

Q. We will just read this. (Reads):—

17 VICTORIA ST.,

LONDON, S.W.,

February 28, 1908.

DEAR MR. BRODEUR,—Your cablegram of the 22nd inst. as under, duly reached me:—

Your cablegram 20th received—Have personally communicated with foreign builders—do not comply.

And I governed my action accordingly.

In view of several of the firms to whom the plans and specifications had been furnished making inquiries as to the conditions of the contract referred to in clause 118 of the specification, I thought it well to send you on the 24th instant, the following cablegram:—

Some important firms asking for particulars contract referred to in specification—presume such conditions will not be formulated before receipt tenders, but glad have cable.

And was much obliged for your reply of the next day, reading as under:—

Cable 24th received—for information inquiring shipbuilders *re* contract penalties, two hundred and fifty dollars for every day delay in delivery, two thousand five hundred dollars for three inch excess in draught—five thousand dollars for excess from three inches to six inches draught—rejection vessel at minister's discretion if six thousand horse-power not obtained.

I at once notified the firms requiring the information in the sense thereof.

I take the opportunity of acknowledging the cablegram from your department sent to me on the 26th instant, as follows:—

Kindly inform firms tendering ice-breaker that one week's extension has been granted for delivering tenders.

A notification in the required sense was at once sent to each of the firms who are proposing to tender, and in some cases I have been informed that the extension of time will be of considerable assistance.

Believe me, dear Mr. Brodeur,

Very truly yours,

(Sgd.) STRATHCONA.

Then to return to my original question—was there anything in the advertisement calling for tenders, or the specification, or in the letter of instructions to the proposed tenderers that the government would have the right to reject the vessel if it did not attain a certain speed?—A. Nothing in the specification.

Q. Or in the advertisement?—A. Or in the advertisement.

Q. Or in the letter?—A. That letter (pointing to document in Mr. Northrup's hands).

Q. But this letter does not refer to speed?—A. It refers to horse-power, not to speed.

Q. I am talking about speed?—A. Not speed.

Q. So there is nothing anywhere in the tenders, in the advertisement, in the specification, or in the communication to the proposed tenderers, that the Government would have the right to reject a vessel if it did not attain a certain speed?—A. No, nothing.

Q. Then after the contract came to be drawn up with Vickers, Sons & Maxim a clause was introduced that if the vessel did not attain 16 knots speed the Government could reject it?—A. 16½ knots. That was inserted in the contract.

Q. And the contract also provided that for each quarter knot it fell short of the 17 knots down to 16½ the Government could deduct £250?—A. That is right.

Q. Can you give us any reason why, when it would cost from £8,000 to £10,000, for the additional knot from 16 to 17, that the penalty was only £250 per quarter knot?—A. That was considered the usual penalty which would be exacted for the loss of a quarter knot, £250.

Q. So that penalty was not in any way based on the saving in cost to the builder?—A. Oh no.

*By Mr. Reid (Grenville).*

Q. Previous to your appointment to your present position in Ottawa you were an employee of Vickers, Sons & Maxim?—A. Yes.

Q. How long were you in their employ?—A. About ten years.

Q. In what position?—A. Assistant constructor.

Q. Had they a naval architect?—A. Oh yes, several.

Q. Several?—A. Yes.

Q. You did not occupy the position of naval architect?—A. Not as chief naval architect.

Q. As assistant?—A. As assistant.

Q. Then in the designing of the vessels the Chief Architect, I suppose, was the one that designed and the assistants carried out his instructions?—A. Well to a certain degree yes. The Chief Naval Architect would give particulars to his assistants regarding the design of a boat. The vessel would be designed according to these particulars and submitted to the chief afterwards for a final decision.

Q. So that he was really the one that gave the instructions as to the design and specifications for the vessels that Vickers-Maxim built, and the assistant carried out the instructions?—A. Well, not altogether. The specification would be based afterwards on the design that was accepted by the chief.

Q. You never occupied the position of Chief Naval Architect?—A. Oh no, never.

Q. Did you ever design an ice-breaker before you came here?—A. I designed the original plans of the *Lady Grey* when she was originally asked for by the Department. That particular design was placed in my hands. I have designed certain car ferries for the Danish state railways, and worked on the designs for ice-breaking steamers for the Russian Government whilst in Vickers, Sons & Maxim's.

Q. Did Vickers, Sons & Maxim build any of the ice-breakers?—A. They have built one for the Russian Government, and designed two for the Danish state railways, which were built in Denmark, and they built the *Lady Grey* and the *Earl Grey*.

Q. They built the *Lady Grey* and the *Earl Grey*?—A. Yes.

Q. And those designs originated with the Naval Architect of Vickers, Sons & Maxim?—A. Yes, with the Chief Naval Architect.

Q. He is the one who designed them and you carried out his instructions?—A. Yes.

Q. Well, then, did I understand you to say that they built an ice-breaker for the Danish Government?—A. No, they designed two for the Danish state railways, which were built in Denmark from their design.

Q. Do they build in their own yards?—A. Yes, they have built one—a combined ice-breaking steamer and cruiser which embodied all the features of an ice-breaking boat.

Q. Do you say embodied them all?—A. Embodied them all.

Q. But not a regular ice-breaker?—A. Not a particular ice-breaker particularly. She was designed for a cruiser and ice-breaker as well.

Q. Then if Vickers, Sons & Maxim undertake to build an ice-breaker or any vessel do I understand that the plans and specifications are submitted by the parties who wish to purchase a vessel?—A. No, not always. Very often the owners who wish the vessel built state the conditions to the firm and ask them to draw up a design and specifications which will meet those conditions.



Q. Well then, in the case of the *Earl Grey* the Department in Ottawa prepared plans and specifications, and Vickers, Sons & Maxim carried out the contract in accordance with the plans and specifications as made here?—A. Yes.

Q. Not made by them?—A. Not made by them. The Department supplied all the particulars and the design.

Q. And these plans you say were made by you?—A. By me.

Q. And designed by you?—A. Yes.

Q. When you make the plans and specifications for a vessel you make them in detail, that is in so far as regards the whole plan and form of the vessel and the material to be used—that is the sizes of the plates and frames and machinery and everything complete—do you not?—A. The general form is shown on the plans which are sent to the different firms, and the specification gives in detail generally what is not embodied in the plans.

Q. Exactly. Well, then, the contractor simply carries out all these details?—A. All these details.

Q. And in so far as the strength of the vessel, and the machinery, and all that is concerned, they have not any power to change it in any way unless the firm ordering the vessel wishes it?—A. Any changes which they desire to make in the construction of the ship are submitted to the Department, or to the owners, for consideration before they take place. After they are approved then the changes are carried out.

Q. What I would like to know is this: I cannot understand what would prevent any shipbuilding firm, or any one of those firms that tendered, from carrying out the work of building the *Earl Grey* as well as Vickers, Sons & Maxim, so long as they did the work according to the plans and specifications? Explain that to me?—A. Well, different firms have different equipments. Various firms, their staff and workmen, are under various grades of supervision. In the one case, in a high-class firm such as Vickers, Sons & Maxim, they are continually—from the beginning to the end of the year, under Admiralty supervision. With an inferior firm supervision of the ship is very often placed in the hands of the captain who is going to navigate the boat, and in the one case the shipbuilder takes advantage of every point in the specification where he can possibly put a double meaning. That is with the second-rate shipbuilder. With the first-class shipbuilder, whose works are under the highest supervision throughout, the same advantage is not taken; the staff and the workmen know that they have got to adhere to every point in the specification, and generally speaking right throughout you get a much superior job from a higher class firm than you would from a second-class firm.

Q. Were you not there supervising the building of that steamer?—A. Yes.

Q. You understood your duty, and would, of course, see that the specifications were carried out?—A. To the best of my ability.

Q. Would that ability enable you to see that your plans and specifications were carried out?—A. Well, that is just the point. In the construction of this boat many parts are constructed by sub-contractors; you cannot devote all your time to the construction of the ship at the shipyards; you must make periodical visits to the works of the various sub-contractors who are making those different parts. Had this boat been built under Admiralty supervision there might have been half a dozen inspectors engaged in watching the construction.

Q. Did I not understand you to say in your former examination that the Vickers-Maxim firm could do everything on this vessel without employing sub-contractors?—A. They could do so, but our specification called for certain specialties—the Vickers-Maxim people could construct a vessel from keel to truck, but the Vickers people have not the option of making certain auxiliaries that were specified; they must let the construction of those auxiliaries out to the people who construct them.

Q. From your experience you know how many firms in England are under Admiralty inspection?—A. Yes.

Q. What are the names of them?—A. That is rather a large question—there are



the Vickers people, Armstrong, Whitworth & Co., the Fairfield Shipbuilding Company, William Beardmore, the London & Glasgow Shipbuilding Co., Limited, the Thames Ironworkers.

Q. Name those among the tenderers that are not under Admiralty inspection.—

A. That are not?

Q. Yes, from the list of tenders there, there are ten tenders I think.—A. Twelve.

Q. What is the first on the list?—A. Messrs. Fleming & Ferguson, Limited.

Q. Are they under the supervision or inspection of the British Admiralty?—A. They are on the Admiralty list.

Q. Vickers-Maxim are on the Admiralty list too?—A. Yes, but it is possible for a shipbuilding firm to be on the Admiralty list and not construct for them.

Q. How do we know they are not under the same inspection?—A. Because I tell you they are not.

Q. You say they are not. What is the next firm on the list?—A. William Hamilton & Co., Limited.

Q. What difference is there between that firm and the Vickers-Maxim as far as the Admiralty inspection is concerned?—A. I do not know they are under Admiralty inspection; they are on the Admiralty list.

Q. What is the next firm?—A. Swan, Hunter & Company, they are on the Admiralty list.

Q. What is the amount of their tender?—A. £82,800.

Q. What is the next tender?—A. William Beardmore & Company, Limited.

Q. What about them, what is their tender?—A. £90,570, on the Admiralty list.

Q. What is the next?—A. John Reid & Company.

Q. What about that firm?—A. Could not say.

Q. What is the next?—A. The Fairfield Shipbuilding Company, on the Admiralty list.

Q. The next?—A. The London & Glasgow Shipbuilding and Iron Co., Limited Admiralty list.

Q. The next?—A. The Palmer Shipbuilding and Iron Co., Limited, on Admiralty list.

Q. The next?—A. Sir W. G. Armstrong, Whitworth & Co., Limited, on Admiralty list, and the Vickers, Sons & Maxim, Limited, on Admiralty list.

Q. Then is there any reason why Swan, Hunter & Co., had they received this contract would not have built this vessel just as well as Vickers, Sons & Maxim?—A. I do not think we would have got quite as good a ship.

Q. Why?—A. Because their works are not as well equipped in one case as the Vickers firm.

Q. But they must have as large a plant, and is there any reason why they should not build the ship just as well as the Vickers-Maxim people?—A. Yes, I say they could not do it as well as Vickers, Sons & Maxim because they haven't the equipment and the organization for doing as heavy work.

Q. But Swan, Hunter & Company are building vessels for the department here under your direction?—A. They built one small boat.

Q. They have built more than one, I think?—A. But not under me, you said under me.

Q. Why did you give them that work?—A. Because I considered they were capable of building that boat. The Swan, Hunter works are divided into two, the Wallsend works and the Neptune works. At the Wallsend works vessels of high class merchantile marine are built, such as the *Mauritania*, but this tender came from the Neptune works.

Q. Do you mean to say that Swan, Hunter & Company were not as capable of building a vessel of as high class as the *Earl Grey*?—A. I am quite certain they could at the London works have given us as good a job as the *Mauritania*.

Q. How do you know they would not have built this ship at their London works if they had been awarded the contract?—A. Because the tender came from the Neptune works.

Q. It does not necessarily follow because the tender came from the Neptune works they would not have built the vessel at the other works?—A. Yes, if the tender comes from the Neptune works the vessel will be built at those works, or if it came from the Wallsend works it would be built at those works.

Q. Do you mean to say that a firm that could build a vessel of the type of the *Mauritania* could not give as good work on the *Earl Grey* as Vickers, Sons & Maxim?—A. Not if built at the Neptune yard.

*By Mr. Kyte:*

Q. The other shipyard was probably engaged on other contracts at the time, that may be the explanation of it.

*By Mr. Reid:*

Q. Well, Mr. Duguid, had the contract been awarded to Swan, Hunter & Co., the same covenants would have been inserted in the contract as were in the contract with the Vickers-Maxim people?—A. It would have been the same thing.

Q. It would have been the same thing for the materials and workmanship and all that sort of thing?—A. Would have been embodied in the contract, the same.

Q. And they are a firm under the inspection of the Admiralty as well?—A. They have built, I think, one boat for the Admiralty, one torpedo boat destroyer only.

Q. You think that a covenant by this firm would not be reliable, that if they covenanted to build a vessel such as the *Earl Grey*, you think they would not be reliable?—A. They would have built the vessel to the best of their ability, certainly.

Q. And that is the only reason you can give why this firm, with a tender for £82,500, was rejected, and a tender for £103,000 accepted?—A. Oh no, the deposit that was asked for by the Department was not made.

Q. In the Swan, Hunter case?—A. Yes, they made no deposit.

Q. When the tenders were received and the extension granted, were they notified that they had neglected to inclose a deposit?—A. The extension was granted before the tenders were received.

Q. And although there was a difference between the £82,500 and £103,000 tenders, that is a difference of \$105,000 between them, their tender was thrown out because they did not send a deposit of £10,000?—A. Of 10 per cent.

Q. The tender was not even considered by you?—A. Well, I am bound by the rules and regulations of the Department. If they set a condition before me, as their officer, that a tender is not to be considered unless accompanied by a deposit, I have no option but to reject the tender.

Q. Did you notify the minister that they had not inclosed a deposit?—A. Yes, it is mentioned here in my report.

Q. And the minister advised the acceptance of the other firm's tender simply because the deposit had not been received?—A. This tender would not be considered because the deposit had not been sent.

Q. He did not consider it?—A. That is the reason I suggested he should not consider it.

*By Mr. Kyte:*

Q. I just want to ask one question, what is the speed guaranteed under that tender?—A. The Swan, Hunter speed is 16 knots.

*By Mr. Northrup:*

Q. Have you the statement before you that you sent to the minister showing the amounts of the various tenders and whether or not a deposit had been received?—A. I have a copy of it.

Q. That was not put in the other day, I believe?—A. It is on the file.

Mr. NORTHROP.—I do not see it in the evidence, and I would ask that the summary of tenders be put in.

(Summary of tenders placed on record as follows:)

SUMMARY OF TENDERS FOR PRINCE EDWARD ISLAND ICE-BREAKER.

No.	Tenderer.	10% Deposit.	Total Cost.	Speed in knots.
1	Messrs. Fleming & Ferguson, Ltd. ....	Yes	£76,160	15½ to 16
2	" Wm. Hamilton & Co., Ltd. ....	Yes	81,700	15½ to 16
3	" Swan, Hunter & Co., Ltd. ....	None	82,800	16
4	" Wm. Beardmore & Co., Ltd. ....	Yes	90,570	16
5	* " John Reid & Co. ....	None	95,100	15½
6	" The Fairfield Shipbuilding Co., Ltd. ....	Yes	97,638	15·6
7	† " The London & Glasgow Shipbuilding Co., Ltd. ....	None	98,575	17·2
8	" The Palmer Shipbuilding & Iron Co., Ltd. ....	None	101,100	about 17
9	" Sir W. G. Armstrong, Whitworth & Co., Ltd. ....	None	103,400	16½
10	‡ " Vickers, Sons & Maxim, Ltd. ....	Yes	104,670	17
11	" F. W. Dahlstrom (Blohm & Voss). ....	None	117,250	15¾ to 16
12	" F. W. Dahlstrom (Joh. C. Tecklenborg). ....	None	128,600	17

\* The Messrs. Vickers request by cable on 24th inst. to be allowed to correct error in their tender, their price is now £103,000.

† Price quoted only provides for delivery on Clyde.

‡ This tender is incomplete. See Report.

(Sgd.) Chas. Duguid.

*By Mr. Northrup:*

Q. Looking at the statement you gave to the minister, you reported that certain firms had not made the 10 per cent deposit?—A. Yes, sir.

Q. Can you name what firms did not make it?—A. Swan, Hunter & Company, John Reid & Co., the London & Glasgow Shipbuilding Company, the Palmer Shipbuilding and Iron Co., Sir W. G. Armstrong, Whitworth & Co., F. W. Dahlstrom (two tenders).

Q. Then among the firms that did make the 10 per cent deposit, according to your report to the minister, was the Vickers, Sons & Maxim?—A. Yes.

Q. Will you tell me the amount of Vickers, Sons & Maxim tender in the memo. that you gave to the minister?—A. Do you want the original quotation? The one accepted was £103,000.

Q. How is it in the statement that you gave to the minister?—A. £104,670, with a memorandum at the bottom that their price is now £103,000.

Q. And you reported that they had deposited 10 per cent of that tender?—A. It was 10 per cent deposit.

Q. Was that true?—A. Not including delivery, no.

Q. Then it was not true?—A. No.

*By Mr. Reid (Grenville):*

Q. What is the name of the gentleman on the Admiralty staff who recommended the four firms?—A. Sir Phillip Watt, the chief constructor.

Q. Is he still chief constructor?—A. Yes, he is still chief constructor.

Q. You were in England last winter, were you not?—A. I left here on the 17th of December and came back on the 4th of February.

Q. You left here on the 17th of December?—A. Yes.

Q. Do you know Mr. Lewis, of Montreal?—A. I know him, yes.

Q. Did you see him before you left?—A. No, I did not.

Q. Did you meet him in England?—A. No, I did not.

Q. You didn't meet him in England?—A. No.

Q. Do you know if he is back here?—A. I saw him in the Russell House about a week or so ago, I think.

Q. The Russell House in Ottawa here?—A. Yes, the last week-end.

Q. Here in Ottawa?—A. Yes.

Q. That is Mr. F. Lewis?—A. Yes.

Q. He is back again?—A. So far as I know.

Q. You saw him in the Russell House?—A. Last week.

Witness discharged.

Mr. REID, (Grenville).—If Mr. Lewis is back we can subpoena him.

Mr. CECIL DOUTRE, called and sworn.

*By Mr. Northrup:*

Q. What is your position in the Department of Marine and Fisheries?—A. Purchasing and contracting agent.

Q. Do you happen to know the amount of the deposit made by Vickers, Sons & Maxim on the *Earl Grey* tender?—A. No, I could not give the exact amount. I could tell you the amount of the cheque, which we returned to them, which would be the amount deposited plus the government regular rate of interest during the time we had it. I think there is a receipt here. (Referring to file). On page 325 of the file, No. 28,823, I see an acknowledgement from Vickers, Sons & Maxim of a cheque for £10,417/18. The letter reads as follows:—(Reads).

32 Victoria Street,

LONDON S. W., December 1, 1909.

The Purchasing and Contracting Agent,  
The Department of Marine and Fisheries,  
Ottawa, Canada.

SIR,—We beg to acknowledge receipt of your letter No. 28,823, addressed to our Agents, Messrs. Lewis Bros., Montreal, with sterling bill of exchange in our favour for £10,417/18, being a refund, with interest, of the deposit cheque which accompanied our tender for the construction of an ice-breaking steamer. We thank you for this remittance and enclose receipt.

We are, Sir,

Your obedient servants,

(Sgd.) VICKERS, SONS & MAXIM.

Q. I have seen a letter somewhere on the file showing the amount of the cheque sent in by them with the tender?—A. There would be that on the tender file I think. Have you got the tender file there? It generally states that in the tender file. (After referring to file). Messrs. Vickers, Sons & Maxim in their tender say:—'We herewith forward our cheque on the Bank of Montreal, 17,085, dated 5th March, 1908, for £9,989/0/0, which is to be held pending final acceptance of the ship at Charlottetown, P.E.I., should we be successful in securing the order.' That was the amount of their deposit cheque.

Q. So that the other cheque which you referred to as being returned to them would be the amount of that, plus interest?—A. Plus the interest during the time the Government had it in their possession.

Q. To whom was that cheque sent by the government?—A. The cheque was sent to Mr. Lewis by myself.

Q. Payable to his order?—A. No, I do not think so. It was made out to Vickers, Sons & Maxim.

Q. Are you clear about that?—A. Well yes, I think I can safely say so. The cheque was evidently their cheque unless it was Mr. Lewis' own cheque but I do not think so. Just one moment and I will see.



Q. You do not remember?—A. (After referring to file). The cheque passed through my hands and would be Vickers, Sons & Maxim's cheque. It would be made payable to them.

Q. To whom were the payments made from time to time as the construction of the vessel progressed?—A. Made to Vickers, Sons & Maxim.

Q. Indirectly?—A. No, directly to them.

Q. So that all the payments for the boat were made directly to them but the payment back of their deposit was sent to Lewis for them?—A. Yes, sent to Lewis for them as their agent.

*By Mr. Reid, (Grenville):*

Q. And what was the amount of that cheque?—A. £10,417 18. I see here (referring to file) a letter from Vickers, Sons & Maxim acknowledging the receipt of the cheque from Mr. Lewis.

*By Mr. Kyte:*

Q. Mr. Lewis was the representative of Vickers, Sons & Maxim in this country?—A. Yes, he is their agent. You will find correspondence on the file here on Vickers, Sons & Maxim paper signed by Mr. Lewis as their representative.

Q. Who was it that made the payments to Vickers, Sons & Maxim as the work progressed?—A. I did.

Q. And those cheques you sent direct?—A. Sent direct.

Q. To Vickers, Sons & Maxim?—A. Yes, to Vickers, Sons & Maxim.

*By Mr. Reid (Grenville):*

Q. Why did you send the last cheque to Lewis?—A. Well, I do not know except that it seems to be a practice in the different departments to hold these deposit cheques until they are asked for. I do not know why that is, but we very seldom return the deposit cheques until we are asked for them. To the best of my recollection, Mr. Lewis was in town that day—or if not on that day on a certain day—and asked me if I could return the cheque—I think he was leaving shortly for the other side—and I think I told him that I would send it down to him, and I got it from the Department of Finance in a couple of days.

Q. Is there not a letter on the file from Vickers, Sons & Maxim asking for a final payment and their cheque for the deposit?—A. There may be a letter from Vickers, Sons & Maxim and one from Lewis also (after referring to file). Here is a letter acknowledging the final payment. Here is a letter from F. Orr Lewis, on Vickers, Sons & Maxim paper, to the Department in connection with the final payment due on their contract for the steamer *Earl Grey*. That is a letter from Mr. Lewis acting for Vickers, Sons & Maxim.

Q. There is a letter there some place?—A. From Vickers, Sons & Maxim?

Q. Yes, or Lewis?—A. Just one moment (referring to file). Yes, here is a letter from Vickers, Sons & Maxim dated November 9, to be found on page 295 on the file. (Reads):—

VICKERS, SONS & MAXIM, LIMITED.

28 VICTORIA STREET,

LONDON, November 9, 1909.

His Excellency, the Honourable L. P. BRODEUR, K.C., LL.D.,  
Minister of Marine and Fisheries,  
Ottawa, Canada.

YOUR EXCELLENCY,—We respectfully beg leave to inclose herewith copy of an invoice for the final instalment of the contract price of the ice-breaker *Earl Grey*, which we have had the honour of building for the Dominion Government, amounting to £25,270, together with our claims for extras in connection with the contract.

We should much esteem an early remittance of these amounts, also the return of the deposit made with our tender.

We have the honour to be,

Your Excellency's obedient servants,

VICKERS, SONS & MAXIM, LTD.

On November 22 we also received a letter signed by Mr. F. Orr Lewis. (Reads):—

32 VICTORIA STREET,

LONDON, S.W.,

NOVEMBER 22, 1909.

20 Bleury Street, Montreal.

C. J. DESBARATS, Esq.,

Deputy Minister of Marine and Fisheries,

Ottawa.

DEAR SIR,—Our London office have mailed under date of the 9th instant to the Hon. L. P. Brodeur a copy of their invoices covering the final payment due on the contract for the steamer *Earl Grey*. They have asked me to communicate with you, as they would very much like to have the use of the money before the 4th December. If you will kindly have the draft sent direct, and a memorandum advising me when it will go forward, I will very much appreciate it.

I remain,

Yours very truly,

(Sgd.) F. ORR LEWIS.

Q. Are there any other letters from either of them, or are those the only letters?

—A. I have just read one from Vickers, Sons & Maxim saying they were enclosing the invoices.

Q. And asking for their deposit?—A. No, there is no mention here about the deposit. It says: 'We respectfully beg leave to enclose herewith copy of our invoice for the final instalment—together with our claims for extras in connection with the contract.'

Q. When did you remit the final payment, what is the date of the letter by you?—A. Well, here is a letter acknowledging the receipt of it shortly after that, they acknowledge the receipt of my letter of the 18th.

Q. The 18th of what?—A. The 18th of November, so that is evidently the date on which we sent the cheque.

Q. The date you sent what?—A. That last remittance, here it is:—

November 18, 1909.

GENTLEMEN,—I am enclosing herewith a sterling bill for £25,750 or (\$125,316.66) being in payment of the final instalment of the contract price of the *Earl Grey* as per your invoice of the 3rd September last.

Yours respectfully,

*Acting Accountant.*

Vickers, Sons & Maxim, Limited,

Barrows-in-Furness,

England.

Q. When did you send the cheque for the deposit?—A. It must have been shortly after that, because it is on the first of December that they acknowledge it.

'We beg to acknowledge receipt of your letter of 16th November.'

So we sent it on the 16th of November.

Q. You sent it on the 16th of November, that is the deposit?—A. Yes.

Q. And the date you sent the final payment was?—A. It was the day I have just mentioned, the 18th of November.

Q. That was on the 18th?—A. On the 18th we sent the final payment, and we sent the deposit on the 16th.

Q. Why did you send the deposit to Mr. Lewis two days earlier than the final payment?—A. I do not know, except that we were asked for it and we probably had difficulty in getting the cheque back from the Finance Department, in getting the final payment account through the department.

Q. You would have less difficulty?—A. I say it may have taken less time to get the deposit cheque back from the Finance Department.

Q. You had a cheque payable to Vickers, Sons & Maxim from the Finance Department?—A. Yes.

Q. Every cheque you gave previous to that you mailed direct to Vickers, Sons & Maxim?—A. Yes.

Q. But this one for the deposit you sent to Mr. Lewis of Montreal?—A. To Mr. Lewis at Montreal, apparently.

Q. And two days afterwards you sent the final payment direct to Vickers, Sons & Maxim in England?—A. Yes.

Q. Although Vickers, Sons & Maxim asked to have it sent to them?—A. There is no record of their asking us to send them the deposit cheque. I do not know how it happened except that Mr. Lewis sent and asked for it, apparently from the correspondence here it looks as if Mr. Lewis was abroad at that time.

Q. So that there couldn't have been anything from Montreal at that time?—A. Probably Mr. Lewis's brother may have telephoned up, or something of that kind.

Q. There is nothing positive about it?—A. Except this that I was under the impression Mr. Lewis telegraphed up or had been in to see me and asked for the return of the deposit cheque.

Q. As I understand from you you had been mailing these cheques regularly, as they became due, to Vickers, Sons & Maxim?—A. Yes.

Q. Would Mr. Lewis ask you to send the cheque to him, or why would you send it to him direct?—A. The only explanation that I can give is that Mr. Lewis telephoned me or asked me to send the cheque refunding the deposit.

Q. To him?—A. Probably to him.

Q. But Mr. Lewis was in London?—A. There are two brothers in the firm. I may tell you frankly, take the refund of the deposit in connection with the steamer *Simcoe*, that was sent to Mr. De Sola, the agent of the builders at Montreal simply because I never thought of returning the cheque until he came up and asked that it be returned to him.

Q. It was only the deposit cheque that you sent to Mr. De Sola?—A. Yes, the others were sent direct to Swan, Hunter & Company, the builders.

Q. Was the cheque deposited given by Mr. De Sola, or was it the firm's cheque?—A. I could not say.

*By Mr. Kyte:*

Q. Did you get an acknowledgment from Vickers, Sons & Maxim?—A. Yes, they say: 'We beg to acknowledge receipt of your letter of 16th November, No. 28,823, addressed to our agents, Messrs. Lewis Bros., Montreal, with sterling bill of exchange in our favour for £10,417/18.'

Q. What is the date of that acknowledgement?—A. The 1st of December, 1909, so that the cheque was sent on by Lewis Bros. as soon as received.

Q. Is the amount specified there the exact amount you sent to Lewis Bros.?—A. Yes, the exact amount.

Q. As a matter of fact the deposit cheque is not considered as a part of the contract price, and is not treated in exactly the same way?—A. Well, it is treated in the same way in that it is sent to the Finance Department, and after the contract is

settled, we are so very busy we never think of returning the deposit cheque until some person asks for it.

Q. And when some person asks for the return, you send it as a matter of course?  
—A. Yes.

Q. Some of the letters written by Mr. Lewis in connection with the contract are written from the office of the firm in London, are they not?—A. Yes, and on the letter-paper of Vickers, Sons & Maxim.

*By Mr. Northrup:*

Q. Is there a statement of the amount of the extras on the contract?—A. Yes, there is a statement here.

Q. What is the amount?—A. £1,412 5s. 8d.

Q. That would be in addition to the contract price?—A. That is in addition to the contract price.

*By Mr. Kyte:*

Q. How is that £1,412 5s. 8d. made up?—A. It was made up of the cost of installation of the wireless equipment and other changes, in all directions, which were made in the vessel while under construction, all of which had been duly authorized during construction.

Q. The work for which these extra charges were made was not called for in the contract?—A. Oh, no, it was entirely outside the contract. There were certain deductions which were made at the time, for which Vickers, Sons & Maxim made certain allowances, and there were alterations and auxiliary appliances which Mr. Duguid specified, and which were included in the bill of extras.

Q. And had the tender been awarded to any other tenderer these extras would have been charged in the same way?—A. Undoubtedly.

Witness discharged.

The CHAIRMAN.—Are you through with this case?

Mr. NORTHRUP.—As far as I am concerned, yes.

Mr. KYTE.—I want to call a witness or two on Friday.

Committee adjourned until Friday.





# EVIDENCE

TAKEN BY THE

## PUBLIC ACCOUNTS COMMITTEE

RESPECTING

# STEAMER 'EARL GREY'

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No. 6—MAY 12, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1911



## HOUSE OF COMMONS,

Room 32,

FRIDAY, May 12, 1911.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. Warburton, presiding, and proceeded to further consider a payment of \$155,440.50 to Messrs. Vickers, Sons & Maxim, in connection with the government steamer *Earl Grey*.

Mr. CECIL DOUTRE re-called.

*By Mr. Kyte:*

Q. Will you look over the file, Mr. Doutre, and see if you can find a letter from Captain Brown to Lord Strathcona and Mount Royal in regard to the construction of an ice-breaker?—A. At page 507 of the file I find a letter from Captain A. Brown, master C.G.S. *Stanley*, addressed to Lord Strathcona.

Q. Will you please read it?—A. (Reads.)

*Copy.*

GOVAN, October 17, 1907.

To the Rt. Hon. Lord Strathcona and Mount Royal,  
High Commissioner for Canada.

MY LORD.—I have the honour to acknowledge the receipt of your letter of the 4th instant, requesting a report from me on the design of the new icebreaker for Prince Edward Island.

Supplementing my report on the design of the stem and stern of the proposed ice-breaker, which I forwarded to you on the 7th instant. Having now discussed the specification with Mr. Duguid, I have the honour to state, that a vessel of the dimensions proposed, namely, length b.p., 250 ft., depth 27 ft., draught 18 ft., extreme beam, 45 ft., I.H.P. 6,000, will in my opinion be a very suitable boat for the service. The general arrangements of the proposed ship are satisfactory in every way, the coaling arrangements proposed will be very good, with some inexpensive alterations to the wharf at Pictou for this purpose.

The 600 ton dead weight carried on 18 ft. draught will be ample. The speed on a three hour trial should not be less than 16½ knots with 500 tons dead weight on board.

I also respectfully suggest that the work of constructing such a steamer should be given to one of the shipbuilding firms in the first rank, as otherwise, from my experience, the work will not be done satisfactorily.

(Sgd.) A. BROWN,  
Master, C.G.S. '*Stanley*.'

*By Mr. Reid (Grenville):*

Q. What is the date of that letter?—A. October 17, 1907.

*By Mr. Kyte:*

Q. Will you please see if there is a letter on the file from Sir Philip Watts?—A. I might say that I also see on the file here, at page 508, a copy of a report from Captain Brown to Lord Strathcona.



Q. What is the date of that?—A. That is the 7th October. It is evidently previous to the one of the 17th October. Do you wish me to read it?

Q. Yes, if you please?—A. (Reads):—

C.G.S. 'STANLEY.'

At the Fairfield Shipbuilding Yard,

GOVAN, GLASGOW, October 7, 1907.

To the Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G.,  
High Commissioner for Canada,

17 Victoria Street, London, S.W.

MY LORD,—With reference to the letter sent to me by Mr. Duguid regarding the profile of the proposed ice-breaker for Prince Edward Island, in which he states that he has shown a form of stem similar to the *Stanley*, and an improved stern, also another proposal in dotted lines, and upon which he wishes me to state my opinion of form at these points. I beg to state that my experience with the *Stanley's* form of bow is that in making her way through the ice she has proved to be easy on herself and, although of less power and weight than other vessels employed on similar service in Canada, she has forced her way through the ice equally, if not better than any of the others. It is obvious, therefore, that if she was larger and heavier she would be better in this respect.

From this argument, which can be verified from the logs and abstracts, also the condition of the bow after 18 years' service, it seems to me that we could not do better than repeat the form.

With regard to the stern, I have to state that the difficulty hitherto in the *Stanley* has been that the rudder stock was not protected and was liable to damage, although no accident ever occurred from this cause. I have had this point under consideration for a long time and am of opinion that with the form of extended water line now proposed, the rudder stock would be protected, and thus the difficulty stated would be overcome. This form of stern being angular would cut its way through the ice better and straighter in going astern than in my opinion could be done by the round cruiser form, and as we have considerable going astern work to do in running and rafted ice, the most suitable form of stern should be adopted.

I consider the addition of a forecastle an improvement both as regards the accommodation and appearance of a vessel, and I suggest that it should be adopted in the new plan.

I have the honour to be,

Your Lordship's obedient servant,

(Sgd.) A. BROWN,  
Master, C.G.S. 'Stanley.'

Those are two letters from Captain Brown of October 7 and October 17, 1907, both addressed to Lord Strathcona.

Q. Will you see if there is a letter on the file from Sir Philip Watts to Lord Strathcona?—A. I think there is. (After referring to file). On Page 537 of the same file I find a letter signed P. Watts, addressed to the Right Honourable Lord Strathcona. (Reads):—

Confidential.

ADMIRALTY, S.W., December 13, 1907.

DEAR LORD STRATHCONA,—

Mr. Duguid called on me on Wednesday afternoon last and I had the advantage of discussing the several features of the proposed ice-breaker and passenger steamer with him.

The design for this vessel has now been further examined in the light of the additional information as to weights to be carried, etc., forwarded to me by Mr. Griffith on the 29th ult., and the weight of hull has been worked out as accurately as possible in the absence of a sheer drawing. The result shows that the estimated weight of hull should be increased by 150 tons. To obtain this extra displacement without increasing the draught of the ship it is suggested that the vessel should be lengthened to 255 feet, only 5 feet more than that previously named, and the beam increased from 45 ft. to 46 ft. The stability of the vessel when ice-breaking should then be quite satisfactory. The accommodation, cargo spaces, etc., appear to be satisfactory and suitable for the service in which the vessel is to be employed.

The modifications proposed in my letter to you of the 27th ult. and those above stated might be embodied in the drawings and specification, and these might then be considered as outline drawings and specification, giving the approximate dimensions, scantlings, accommodation, etc., required for guidance of contractors in preparing a design and tender. The contractors should be required to guarantee her stability and maximum draught under suitable penalties, and should state the metacentric height they are prepared to guarantee under the following conditions of loading, viz:—All equipment, stores, provisions and fresh water on board (weight of each to be stated). Bunkers full, trimming tanks aft filled, and 100 tons of passengers and cargo distributed  $\frac{1}{2}$  on the upper deck,  $\frac{1}{2}$  on main deck, and  $\frac{1}{4}$  in cargo hold forward.

It is considered that the metacentric height in this condition should be from 3 $\frac{3}{4}$  to 4 feet.

Yours very truly,  
(Sgd.) P. WATTS.

Right Honourable  
The LORD STRATHCONA, G.C.M.G.,  
18 Victoria Street, S.W.

Now let me see whether that other letter is 27th ult., that would be the 27th November. There is evidently a mistake in it. He mentions there 27th ult., although I see his letter is dated 26th, a mistake of a day. Here is the report (pointing to file).

Q. Yes, I know?—A. I do not see any letter of the 26th. Sir Phillip Watts says 'The modifications proposed in my letter to you of the 27th ult.' Well, here is his letter dated 26th. It is evidently a mistake. Here is the whole thing with all the modifications.

Q. Who suggested that, Sir Phillip Watts?—A. Yes, Sir Phillip Watts. He does not deal with the length or the width there.

Q. It does not mention what he refers to in his letter?—A. There are a number of the same items mentioned there but there is nothing about the length. It is undoubtedly the letter he has reference to.

Q. Would you read it?—A. (Reads): 'Design for ice-breaking mail and passenger steamer for the Canadian Government.'

*By Mr. Reid (Grenville):*

Q. What are you reading?—A. This is signed 'P.W.' evidently Phillip Watts, with reference to the specification which had been submitted to him for sanction and this is evidently the result of his examination of the specification.

Q. That is signed by whom?—A. The copy here is signed 'P.W.' I presume it is Phillip Watts.

Q. There must be no presumption?—A. This is a letter addressed to Lord Strathcona, who has sent a copy of it here. Here is a letter from Lord Strathcona in which he encloses a copy of a letter from Sir Phillip Watts. The original is no doubt in Lord Strathcona's office, but there is Lord Strathcona's letter enclosing this letter from Sir Phillip Watts.

Mr. REID (Grenville).—If you will put the letter in signed ‘P.W.’ anyone can put their own construction on it.

*By Mr. Kyte:*

Q. This is a letter from Sir Phillip Watts?—A. He wrote to Lord Strathcona and these are his recommendations signed ‘P.W.’

Mr. REID (Grenville).—Just put it in as it is, signed ‘P.W.’ and mark it as a copy.

*By the Chairman:*

Q. It was enclosed in a letter from Lord Strathcona?—A. Yes, enclosed in a letter from Lord Strathcona.

*By Mr. Kyte:*

Q. Do you say that is a letter from Sir Phillip Watts?—A. Yes, addressed to Lord Strathcona. This is a copy of a letter addressed to Lord Strathcona from Sir Phillip Watts. I am making that statement from the facts I find before me on the file.

*By Mr. Crosby:*

Q. What are the facts on which you are making the statement?—A. I have a letter here addressed to Hon. Mr. Brodeur from Lord Strathcona in which he states he encloses a letter from Sir Phillip Watts.

Q. Between what Lord Strathcona says and what Sir Philip Watts says you are willing to state that that is a copy of the latter’s letter?—A. I am willing to make the statement.

Mr. KYTE.—My Honourable friend, Mr. Reid, is not willing to put the letter in and we will not press the matter. You are not looking for so much information as you were at one time.

Mr. REID (Grenville).—We want everything in that is right and honest, but we do not want anything that is not signed.

*By Mr. Reid (Grenville):*

Q. This gentleman has just sworn that is a copy of the letter. Now I want to ask this witness: Does Sir Philip Watt sign his letters just ‘P.W.’?—A. I do not know.

Q. You do not know?—A. No.

Q. Then how do you know it is Sir Philip Watts’ letter?

Mr. KYTE.—We will not put it in if you object.

A. I make the statement on the authority of Lord Strathcona’s letter stating that this is a copy of a letter received by him from Sir Phillip Watt.

The CHAIRMAN.—It seems to me that it should be accepted in this matter, it is supposed to be a copy.—A. I may say this is the copy of Sir Phillip Watt’s modifications to the plan that was submitted to him for consideration—these are the modifications which he suggested—

The CHAIRMAN.—In view of the fact that this is enclosed in a letter from Lord Strathcona to the Hon. Mr. Brodeur we ought to accept it as a copy of Sir Phillip Watt’s letter, inasmuch as Lord Strathcona sent it as such.

WITNESS.—I am perfectly willing to make the statement that this is the document received from Lord Strathcona, whether it is a true copy or not I do not know.

*By Mr. Taylor (Leeds):*

Q. Is it written on Lord Strathcona's paper?—A. The letter from Lord Strathcona is but the copy of Sir Phillip Watt's memo which he enclosed is on plain paper.

*By Mr. Kyte:*

Q. You had better proceed, read it.—A. Read the modifications?

Q. Yes?—A. It is entitled (Reads):—

DESIGN FOR AN ICE-BREAKING MAIL AND PASSENGER STEAMER FOR THE CANADIAN GOVERNMENT.

For a vessel of the length proposed Lloyd's rules require four watertight bulkheads to extend from the floor plates to the upper deck, viz.:—

(a) Collision bulkheads, to be placed at least  $12\frac{1}{2}$  ft. abaft the stem at the lower deck.

(b) One bulkhead, at fore end of boiler space.

(c) One bulkhead, at after end of engine room.

(d) One bulkhead, at a reasonable distance from the after end of the vessel.

In this design:—

(a) Is placed too far forward.

(b) Is placed on the aft side of the coal block necessitating the cutting of W.T. doors low down to get at the coal. This is done to get a larger deck cargo space on main deck.

(c) None in this position, but a bulkhead at the fore end of engine room is run up in lieu. (This should have a W.T. door in the engine room.)

(d) None provided.

NOTE.—The profile drawing and plans do not agree, the former showing no bulkheads extending above the main deck.)

The subdivision of the vessel is less than it would be if the vessel were being built for the Admiralty service, and taking into account the risk of damage to the shell plating, owing to the service on which this vessel is to be employed, it is considered that the collision bulkhead should be placed as required by Lloyd's rules, that the bulkhead at the fore end of the forward athwartship coal block should be carried up to the upper deck instead of that at the after end of this block, and an intermediate bulkhead be fitted between this and the collision bulkhead say just before the large cargo hatches. The provision room, stores, &c., now stowed at the after end of the lower deck cargo space should be transferred to the fore end of this space. The bulkhead between the 2 boiler rooms, the after engine room bulkhead, and the after peak tank bulkhead should also be extended to the upper deck.

In view of the number of W.T. doors in the various bulkheads it is suggested that some quick closing system might be fitted.

In view of the severe service on which the ship is to be employed teak would be preferable to pitch-pine on the exposed parts on the upper and fore-castle decks.

The hull of the vessel if built to the scantlings proposed would be very strong, and in this respect the vessel would not compare unfavourably with ice-breakers built for service in Northern Europe. It appears from the specification that this vessel is designed to deal with *drift* ice, and the shape of her ends, arrangement of propellers, etc., differ from those adopted in vessels which are purely ice breakers, such as the *Ermak* and which are intended to deal also with pack ice, composed ice, etc.



No sheer drawing has been supplied and no information is given as to her displacement, weight of hull, machinery, equipment, etc., so that only a rough approximation can be made as to her stability; but as far as can be judged from such a rough approximation, her metacentric height appears to be sufficient for the service on which she is to be employed.

P.W. 26,-11,-07.

Q. Now, Mr. Doutre, have you a record of the trips made by the *Earl Grey*?—A. I have not personally, but here is Commander Thompson, he will have them.

By Mr. Reid (Grenville):

Q. With reference to that document you have just read?—A. Yes.

Q. That was from Sir Philip Watt, you say?—A. I make that statement on Lord Strathcona's statement in his letter that you have before you.

Q. According to that memorandum of Sir Phillip Watt that you have just read the plan and specifications were not made out according to Lloyd's requirements?—A. Evidently not according to that memorandum particularly with regard to the position of the bulkheads.

Q. Evidently they were not?—A. From that letter I should say so.

Q. And the plans were made for a boat to be used in drift ice only?—A. From what Sir Phillip Watt says he is evidently under that impression.

Q. Have you any idea who built the *Stanley*?—A. Well, I do know, but to tell you the truth I cannot say now, I am not sure where it was built.

Q. Was that vessel not built by the Fairfield Company?—A. Yes, the Fairfield Company built the *Stanley*, I know that.

Q. From the report you read a few minutes ago from Captain Brown I gather that the *Stanley* has given good satisfaction?—A. Very good indeed.

Q. She has been perfectly satisfactory?—A. In so far as a boat of her power is concerned, yes.

Q. In power, build and everything else. Then from a report such as Captain Brown made have you any reason to believe that the Fairfield Company could not have built the *Earl Grey* as well as the Vickers-Maxim people?—A. Well, you have Mr. Duguid's evidence on that, he is a technical man, and I would not care to give an opinion on that.

Q. Will you not say whether you think they could have?—A. My opinion on that point would not be worth anything; Mr. Duguid is a practical and technical man and I am not.

Q. You are the purchasing agent of the Department, and from the report of Captain Brown, and from the knowledge you have of the Steamer *Stanley* would you put the Fairfield Company's tender aside and favour the Vickers-Maxim?—A. I would be largely guided by the technical officer of the Department; if the technical officer was of the opinion that the Fairfield Company could not build a satisfactory vessel I would not put my opinion against his in that matter.

Q. Would you put Mr. Duguid's opinion against that of Captain Brown's?—A. On a matter of that kind I certainly should.

Q. For the service where this boat was to be used?—A. You are asking me as to the ability of those people to build the vessel, and certainly Mr. Duguid would know the capabilities of those people better than Captain Brown.

Q. Has not Captain Brown had a wide experience enabling him to give advice on such a matter?—A. He could give valuable advice regarding steamer construction on account of his practical knowledge in ice-breaking.

Q. Although there might be thousands of dollars difference in the tenders, and although there were four or five firms recommended by the Admiralty as capable of building a vessel of this kind you would accept the opinion of Mr. Duguid?—A. No.

Q. You would not?—A. Not entirely so, no.

Q. Well, in this case the Admiralty recommended five different firms?—A. Yes.

Q. Who were capable of building this vessel for the Dominion Government, and the Vickers-Maxim tender was the highest; now, in this case, would you have advised, as purchasing agent—A. But I wasn't purchasing agent at the time.

Q. You are now in the position of purchasing agent, and you are purchasing supplies and other very important things for the Dominion Government, and I would like to know in a case of this kind what you would do?—A. I really could not tell you without having all the facts before me.

Q. You have all the facts before you, evidently?—A. No, I have not.

Q. You have the facts and you have had time to read them?—A. I had charge of the construction of that vessel; that contract was let just previous to my appointment. I had charge and dealt with the Vickers-Maxim people in respect to the building of that boat. Mr. Duguid had charge of the building, but all modifications in the plans and specifications came before me before they were approved of, although at the time of accepting this tender I was not purchasing agent, so that with the exception of hearing Mr. Duguid's statement here I could not say anything about it; I will say this, I am thoroughly familiar with the *Earl Grey*, and I have a knowledge of what it costs to build a boat, and I am perfectly satisfied we did not pay five cents more for that boat than we should have.

Q. Well, that has nothing to do with it as long as the tenders were in.—A. That is true, that is very true.

Q. You know the Swan, Hunter firm?—A. Well.

Q. They are building a vessel for the Government now, are they not, or have just completed one?—A. Just completed one.

Q. What kind of a firm are they?—A. A very good firm indeed.

Q. They would be able to build a vessel of this kind?—A. From my own information I should say yes.

Q. Is there any reason in your opinion why they should not be given a contract of this kind?—A. The only knowledge I have of Swan, Hunter & Company, I know they are a very reputable firm. They have built boats for us, and as you said the other day they built the *Mauritania*.

Q. Is there any reason why you would not give them a contract for a vessel of this kind with the plans and specifications laid down before them?—A. Well, without consideration of the technical points I would say I should think they could build it. But, as I say, were I a technical man knowing exactly what the type of construction was I might probably alter my opinion. As I say, I am only looking at it from the commercial and not the technical end. I would certainly be willing to accept Mr. Duguid's opinion on a matter of that sort in preference to my own.

Q. Has anything been paid out on this vessel since she arrived on this side?—A. Yes.

Q. Was this the vessel that had trouble crossing the ocean?—A. Yes.

Q. Who paid for the repairs to the vessel?—A. Vickers, Sons & Maxim paid every cent. It cost them thousands of dollars.

Q. That is to repair her?—A. Yes. They tore up the decks and burnt the wood-work and furniture and a great many other things.

Witness discharged.

Mr. LEMUEL E. PROWSE, M.P., called and sworn.

*By Mr. Kyte:*

Q. Mr. Prowse, you reside at Charlottetown, Prince Edward Island?—A. Yes.

Q. How far back does your experience carry you in respect to winter crossing and navigation of the Northumberland Straits?—A. Thirty years.

Q. You know the *Earl Grey* that is now in use?—A. Yes, I have crossed in her several times.

Q. She runs between Charlottetown and Pictou?—A. Yes.

Q. You know something of the work she is doing there?—A. Yes, I have a very good idea.

Q. How many winters has she been performing that service?—A. Two winters.

Q. What would you say of the conditions during the past winter as compared with former years?—A. I went down to Charlottetown at Easter and the people down there say it was the worst winter they have had for twenty or twenty five years, and I think it must have been. I came back on the 17th of April and we went to Pictou in four hours from Charlottetown. We met the steamer *Minto* and she did not get to Charlottetown until 8 o'clock at night the same day, the 17th April.

Q. That is you crossed from Charlottetown to Pictou on the *Earl Grey*?—A. On the *Earl Grey*.

Q. In four hours?—A. Yes, in four hours.

Q. And it took the *Minto* how long?—A. Thirteen hours. She left Pictou at seven o'clock and got to Charlottetown at eight o'clock at night.

Q. It took the *Minto* that long to make the same trip?—A. Yes.

Q. What sort of service did the *Earl Grey* perform during the past winter?—A. Excellent service. She only missed two trips in the whole season.

Q. She only missed two trips to Charlottetown?—A. I do not know if it was to Charlottetown. She missed two trips. I do not know which way it would be.

Q. And that was the severest winter in twenty-five years?—A. They have not had anything like it for 25 years there.

Q. What boats performed the service on the Straits between Prince Edward Island and the mainland before the *Earl Grey* went on?—A. The *Stanley* and the *Minto*.

Q. They have been on that service for how many years?—A. I cannot just remember how many years. They have been running for a good many years. I guess the *Stanley* has been twenty odd years.

Q. Can you say from your own experience the length of time in which no crossings were made at all on account of the ice conditions?—A. Well, one year, that was 1905 I think it was, there were 59 consecutive days.

Q. During which the steamers were unable to cross?—A. Yes, they were tied up for 59 days.

Q. Those vessels were the *Stanley* and the *Minto*?—A. The *Stanley* and the *Minto*, yes.

Q. And the year before that?—A. I cannot just remember. I recollect 1905 because it was a very bad year; I do not remember the year before.

Q. Well, very frequently there has been a very considerable time when no crossing could be made at all?—A. Oh, very often, I have been out myself on several occasions. I have been out for several days and remember walking to the shore, and the steamer was tied up for 14 days after that. That would be for three weeks. I mean to say that nearly every year those vessels are tied up from a week to a month; that will be about their average.

Q. What would you say of the service performed by the *Earl Grey* as compared with the service performed by the other steamers?—A. It is simply wonderful—that is the only way to express it—the work that boat does.

Q. There never was such a service given before?—A. Oh no. The other boats could not look at her at all. Why this winter she went out several times and broke out the *Minto*, and the *Minto* was considered a very good boat in her time. The *Earl Grey* is as far ahead of the *Minto* and the *Stanley* as the *Minto* and the *Stanley* was ahead of the old *Northern Light*. There is no question about it.

Q. The *Northern Light* was an old wooden boat?—A. Yes, that used to be stuck cut in the ice for a month and two months at a time.



By Mr. Reid (Grenville):

Q. I think you said that the *Earl Grey* crossed one day this year in four hours and it took the *Minto* 13 hours to do the same journey?—A. Yes, in the spring. On the 17th of April.

Q. Between the coast of Nova Scotia and Prince Edward Island there was much floating ice?—A. Floating ice. I went over a week before and did not meet any ice at all.

Q. Did you use the *Earl Grey* in crossing at that time?—A. Yes.

Q. And on the occasion you speak of you met the *Minto*?—A. Certainly, met her right out in the ice in the Gulf.

Q. You met the *Minto*?—A. Met the *Minto*, yes.

Q. Met the *Minto* in the ice?—A. Yes.

Q. And you went right through?—A. Went right through.

Q. Is the *Minto* as powerful a boat as the *Earl Grey*?—A. Oh no, the *Earl Grey* is 6,000 horse-power and the *Minto* is only 2,500 or 3,000.

Q. The *Minto* is 2,500 or 3,000 while the *Earl Grey* is 6,000?—A. Right sir.

Q. So far as the *Minto* and the *Stanley* are concerned, what is the horse-power?—A. One 2,500 horse-power and the other 3,000. I think it is the *Minto* that is 3,000.

Q. Either the *Stanley* is 2,500 horse-power and the *Minto* 3,000, or the *Minto* is 2,500 and the *Stanley* 3,000—either one or the other?—A. Yes, I think it is the *Minto*.

Q. So that the horse-power of either one of these boats is about one-half that of the *Earl Grey*?—A. Right.

Q. You people in Prince Edward Island have been asking for an improved service?—A. Yes, sir.

Q. In asking for that, did you consider that the reason the service was not satisfactory was on account of the boats being too small and not of sufficient power?—A. That is one reason no doubt.

Q. That is one reason?—A. No doubt about it.

Q. Is that the main reason?—A. We did not know whether a boat could be built to go through the ice there because the conditions were so bad.

Q. Do you not know from experience of the *Stanley* and the *Minto* that a boat with 2,500 or 3,000 horse-power had not sufficient power to go through ice at certain times of the year?—A. Yes, we know that.

Q. You knew that and therefore, from the protests that were made, you must have a larger and more powerful boat?—A. Either that or a tunnel, anything that would give us continuous communication.

Q. Either a larger boat and more power or a tunnel. Now then, when the Government were giving the contract for the *Earl Grey* you were aware that she was a much larger steamer?—A. Yes.

Q. With more power?—A. Yes.

Q. Now is it not a fact that the reason the *Earl Grey* got across so much faster than the *Minto* was on account of her greater power?—A. That is right.

Q. There is no doubt that is the reason?—A. No doubt that is it.

Q. Have you any idea who built the *Stanley*?—A. Yes.

Q. You know the *Stanley*?—A. I know here very well.

Q. Is there any reason why she was not satisfactory? Was she not well built?—A. I think she must have been well built to stand the service.

Q. She was quite satisfactory as far as she went, as far as her power and form are concerned?—A. Yes.

Q. No fault could be found with her in any shape or form?—A. I could not say as to that, I do not know.

Q. Well, you never heard of any?—A. I never heard of any.

Q. Is there any reason why the firm who built her could not have built as good a boat as the Vickers Maxim?—A. I could not say as to that.



Q. From any experience you have had is there any reason?—A. Not from any experience I have had, but I never ran the boat.

Q. From your experience you would not say they could not?—A. No, certainly not, I couldn't say that.

Q. You have been in this committee and heard the list of tenders read?—A. No, I have not.

Q. Well, I will give them to you now so that you will know what they are: William Hamilton & Co., £81,700; William Beardmore Company, £90,570; John Reid & Company, £95,100; The Fairfield Shipbuilding Company, £97,638; that is the firm that built the *Stanley*; The London & Glasgow Shipbuilding Co., £98,575; The Palmer Shipbuilding & Iron Co., £101,100; Sir W. G. Armstrong, Whitworth & Co., £103,400, and the Vickers-Maxim, £104,670. I might say there was a little change made there, they asked for time and the tender was reduced to £103,000. Now, Mr. Prowse, if you haven't been in this committee I might say to you that a letter was sent from the Admiralty stating what firms they would recommend?—A. I heard that.

Q. You remember there were four or five firms mentioned?—A. Yes.

Q. I would like to ask you that if you were in the position that Mr. Brodeur was and all these tenders were submitted to you would you, as a public man, have accepted the highest tender?

Question objected to by Mr. Chisholm of Antigonish on the ground that it was decidedly unfair to ask the witness such a question, and that it did not state the facts correctly.

WITNESS.—Let him go ahead.

Mr. REID.—I will not press the question if the witness objects to answering.

WITNESS.—What is the question?

*By Mr. Reid (Grenville):*

Q. I ask you if these tenders were submitted to you, and if the tenders were from firms recommended by the Admiralty?—A. Yes.

Q. Would you accept the highest tender?—A. It just depends upon the information I had before me.

Q. It would depend upon the information you had?—A. Yes.

Q. Information from whom?—A. The information I had before me at the time from the qualified officers of the Department and from people outside as well. I have no doubt Mr. Brodeur knew what he was doing.

Q. From outside people as well?—A. Well, I would get all the information I could about these firms, I would endeavour to ascertain whether they were thoroughly reliable or not.

Q. Do you mean to say that you would not accept the advice of the Admiralty as to these firms being reliable?—A. No, I am not prepared to say that.

Mr. KYTE.—You are not fair to the witness, Dr. Reid, those firms tendered on different conditions, one firm guaranteed  $15\frac{1}{2}$  knots, another  $15\frac{1}{2}$  knots, another 16 knots, one firm sent a deposit with their tender and other firms did not. You ought to state all these particulars if you want to obtain an opinion from this witness on that point.

Mr. REID (Grenville).—I do not pretend to be able to cross-examine the witness at all, but at the same time I think that these are questions that should be answered.

The CHAIRMAN.—The question might be put in this way: If the conditions were precisely the same, would you prefer one tender to the other?

Mr. REID.—That is all I want to ask the witness.

Witness discharged.

Mr. AUSTIN L. FRASER, Kings, P.E.I., called and sworn.

*By Mr. Kyte:*

Q. You live on Prince Edward Island?—A. Yes.

Q. What part?—A. Souris.

Q. How long does your experience take you back with regard to the winter crossing between Prince Edward Island and the Mainland?—A. You mean crossing myself?

Q. Yes?—A. I cannot tell you exactly, it is some years back, not very many. I do not know how long I have been crossing.

Q. You have been crossing for five or six years at least?—A. I cannot remember when I first crossed the straits in the ice boat, probably five or six years.

Q. You have crossed in the *Earl Grey*?—A. Yes.

Q. What would you say as to the ice conditions during the past winter compared with former years?—A. The ice was very heavy during the past year.

Q. Heavier than it has been for several years?—A. As far as I know it has been the heaviest since about 1905, I think.

Q. That is as far as your knowledge is concerned?—A. Yes.

Q. Has the *Earl Grey* performed a pretty regular service last year?—A. Yes, I understand she has performed a pretty regular service this past winter.

Q. So far as giving a regular service is concerned she did it practically every day during the winter?—A. Well, I cannot speak except from reports I see in the newspapers, I have no other knowledge, I have been here all the winter, but I understand she did good work during the winter.

Q. That notwithstanding the ice conditions were worse than in former years she has performed a better service than was performed by any steamer that has ben on the route?—A. You say that the ice conditions were worse, I would not care to swear as to that because although this year there was a lot of heavy ice, but the wind there sometimes has as much to do with the crossing as the ice and the frost. I could not swear as to anything about the conditions.

Q. She has performed a better service than any of the boats that have been engaged in that service in past years that is as far as you know?—A. That is my belief.

*By Mr. Reid (Grenville):*

Q. Was there ever a boat on the route before with the same horse-power, and of the same size as the *Earl Grey*?—A. Now, I am not swearing as to the size and horse-power.

Q. But to the best of your knowledge and belief?—A. Yes, I think she has twice as much horse-power as any other boat that has been on the route.

Q. Is not that the reason why she has performed a better service?—A. Certainly.

Q. There is no doubt about that?—A. Yes, there is no doubt about it, because the question of crossing there depends upon the construction of the boat and the power.

*By Mr. Kyte:*

Q. And the speed as well?—A. I do not know anything about that question of speed; no doubt some of the ocean steamers have a great deal more speed than the *Earl Grey*, but I do not know whether they could cross there.

Q. But the more power you get the more speed there would be necessarily?—A. Not necessarily. I do not know about that. There are some boats built for speed and others that are built for hard work.

Q. You know the *Stanley* and the *Minto*?—A. Yes, I have crossed in them.

Q. Have they not been perfectly satisfactory taking into consideration their power and size as compared with the *Earl Grey*?—A. I can only speak from report. The *Stanley* has been considered a pretty satisfactory boat.

Q. For its size?—A. For its size and power. I think she did as well as could be expected. I do not think the *Minto* came up to the expectations.

Q. Have you been in this Committee right along?—A. No.

Q. You did not hear the evidence given?—A. Not all of it. I heard some.

Q. Were you here when the list of tenders was read?—A. No, I was not.

Q. Are you aware that there were ten different tenders?—A. No, I do not know how many tenders there were.

Q. Then for your information I will give you a list of the tenders that were submitted. William Hamilton & Co., Limited, offered to build the *Earl Grey* under the same specifications and plans. Let me say, Mr. Fraser, that plans and specifications were made out by Mr. Duguid, the Naval Constructor for the Department. The same plans and specifications were submitted to a number of firms in England, or at least a number of firms tendered on those plans and specifications. Among those that tendered were four or five firms that were recommended by the Admiralty as firms that would be perfectly satisfactory in their opinion as to building this boat. Now the tenders received by the department on the plans and specifications were: The William Hamilton & Company, Limited, £81,700; The Swan, Hunter Company, Limited, £82,800—and by the way let me say that this firm have built boats before for this Government; William Beardmore & Co., Limited, £90,570; John Reid & Company, £95,100; The Fairfield Shipbuilding Company, Limited—the firm that built the *Stanley*, £97,638; The London & Glasgow Shipbuilding Company, Limited, £98,578; The Palmer Shipbuilding & Iron Company, £101,000; Sir William Armstrong, Whitworth & Co., £103,400; Vickers, Sons & Maxim, Limited, £104,670. The tender was awarded to Vickers, Sons & Maxim, who were first the highest tenderers, but afterwards they were allowed to amend their tender so that it was £400 below the tender of the Armstrong, Whitworth Company, the next highest tenderers.—A. What firm built the *Stanley*?

Q. The Fairfield Shipbuilding Company. The Fairfield Shipbuilding Company's tender was £97,638, while that of Vickers, Sons & Maxim was £104,670, or about £7,000 more than the former. I would like to ask if in your opinion as a public man you would accept the highest tender—

Mr. CHISHOLM.—I think that is not a fair question. The witness ought to be put in possession of all the facts, the difference in speed, and horse-power, and so forth.

The CHAIRMAN.—Yes, the question of speed will come in there.

The WITNESS.—I think if all things were equal, that the contract certainly should go to the lowest tenderer. I think there should be good reasons given why it was awarded to the highest tenderer.

WITNESS discharged.

Mr. KYTE.—That is all the evidence I wish to offer in this case.

Mr. REID (Grenville).—Mr. Northrup is not here to-day. He is busy in another Committee. But there was to be another case brought up.

Mr. KYTE.—All the evidence has been put in in this case.

Mr. REID (Grenville).—Mr. Northrup is not here.

Mr. CARVELL.—Surely you are going to call Mr. Lewis.

Mr. REID (Grenville).—We can do that all right enough, but he is not here to-day.

Mr. CARVELL.—In view of the statements you made in this Committee and in the House you are in honour bound to call him.

Mr. KYTE.—Probably the honourable gentleman has changed his mind.

The CHAIRMAN.—What shall we do further, adjourn the case?

Mr. KYTE.—We will have to adjourn it until July.

Mr. REID.—You have kept us since last December without Mr. Lewis.

Mr. CARVELL.—Mr. Lewis has been in Canada for six weeks and you know it.

Mr. REID.—I did not know that he was in Canada until I heard it the other day in the Committee.

Mr. KYTE.—We cannot have a meeting next week, therefore we cannot meet again until after the adjournment.

Mr. REID (Grenville).—We will adjourn at the call of the Chair.

The CHAIRMAN.—That will be after the adjournment, I suppose.

Committee adjourned.







































































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